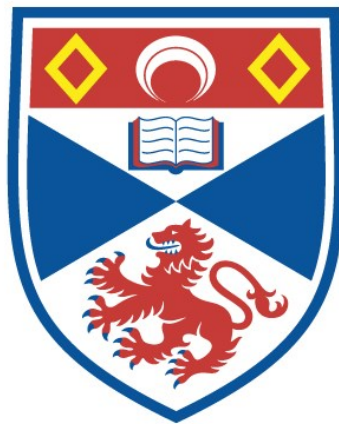


**THE SCOTTISH ROLE IN MIDLANDS AMERICA
WITH PARTICULAR REFERENCE TO WYOMING
1865-1895**

Mireya Baltodano

A Thesis Submitted for the Degree of PhD
at the
University of St Andrews



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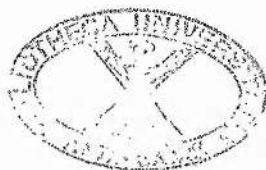
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1865-1895

Paul M. Edwards
University of St. Andrews



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In working on a topic that covers so many areas and so much material one soon discovers the degree to which he is indebted to people and organisations for their help. Such a debt is owed to the library staff at the University of St. Andrews, to the curators and archivists of collections in Scotland, England and Wyoming, and to private collectors who have made considerable effort to aid me in this study. Such a debt is also owed to the Department of Modern History at the University of St. Andrews; to Dr. G. Seed who talked with me in the early stages and to Dr. Gash who gave of his time.

Most explicit thanks must go to Dr. W. G. Kerr who directed this study. In agreeing to serve as my Supervisor Dr. Kerr brought to my efforts a background of research expertise, familiarity and professional interest. He gave more of his time and consideration than might rightfully be expected. I am deeply indebted to him for the time and effort that was expended in my behalf, and for the almost unlimited expenditure of his own ability, resources, and contacts in giving me strong backing. The long sessions, the numerous readings, the suggestions concerning research additions, construction, style and presentation -- along with patience -- were of major significance to me. For this, and for his personal interest in my development, I am most sincerely grateful.

Paul M. Edwards

24, Murray Park,
St. Andrews, Fife,
1 October 1971.

A. N. Mitchell, Esq., O.B.E., M.A.,
Secretary,
The University of St. Andrews,
College Gate,
St. Andrews, Fife.

Dear Mr. Mitchell,

The thesis herewith submitted by Paul M. Edwards., Esq., is an original work of research. It has not been submitted by him for any other higher degree. His work has largely to do with the influence of the Scots in Middle America, with particular reference to the State of Wyoming.

Prof. Edwards has completed his nine terms which are required before the submission of his thesis for the Doctorate of Philosophy. He has met and fulfilled the University Ordinances and Regulations relating to the degree.

Sincerely yours,

Dr. W. G. Kerr,
Supervisor.

"He opened up new channels for trade; he wrestled with savage nature, and tamed her into a submissive servant; wherever money was to be made, the proverbial Scotchman had not long to be looked for."

Blackwoods Magazine, 1884.

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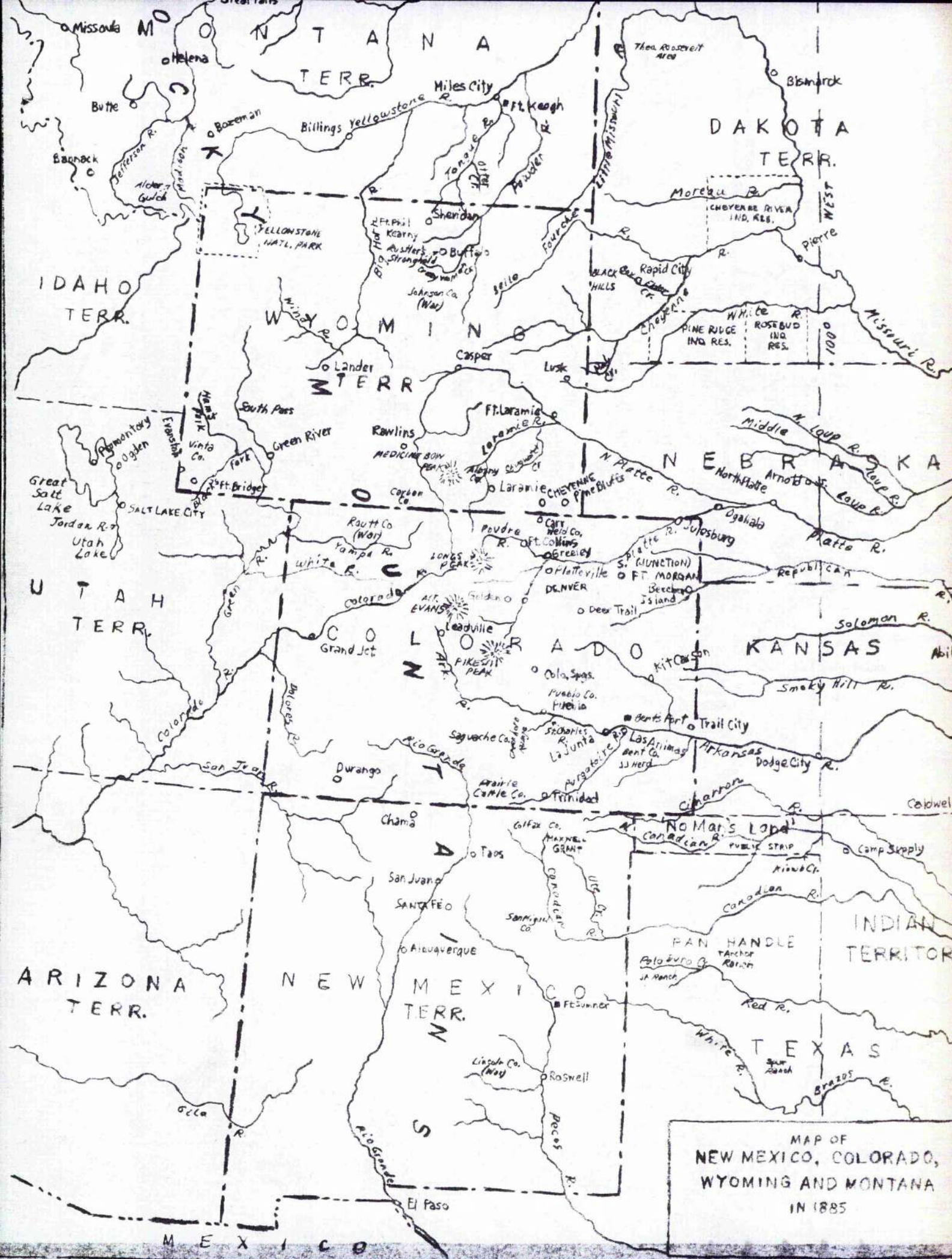
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Chapter One: Introduction

Somehow from among the sagas of sixguns and saddlebags has come a hint of the interesting story of western America as a social and economic reality. The Winchester and the lariat, as well as the plow and the sheep dog, have escaped from the folklore of Cheyenne and the pulp magazines of Madison Avenue to take their more fitting place as tools of economic survival and commercial development. Farms are recognised as investments, herds as capital, mortgages as harsh financial realities, and range management and employee control as necessary. The past three decades have provided some success in stripping western America of much of its buckskin trappings -- though little of its romance -- and in showing that under it all there were men who were by nature acquiring.

One such accomplishment has been to release the British from their role as eccentric dude. No longer simply characters for substandard plots, the British are recognised in a new and important role as capitalists in an open market. The growth of 'entrepreneurial history' in the past few years has lead to investigations of the role of Great Britain, particularly of Scotland, in the economic and social development of the Trans-Mississippi West. This economic role was imminently important to American development and is a significant part of the study of Scottish overseas investments in the 19th Century.

This involvement did not arise as a unique condition. Great Britain was a major economic influence in the world during the 19th Century. The

advanced state of her industrial development, spurred on by the opening of Continental and American markets to British goods, placed Great Britain in the position that European states could draw "freely (from) ¹ the draught of British capital."

Western America was a major underdeveloped area with obvious and fairly immediate potential. This combination had attracted Scottish funds for decades. The Midlands, composed of Wyoming, Colorado, Montana and New Mexico was a prime location. The fact of such involvement has been expressed for some time. Davilla Bright's masters thesis Foreigners ² and Foreign Capital in the Cattle Industry of the United States was submitted in 1935. Since then many authors, among them Herbert O. Brayer and Maurice Frink, have investigated the subject. W. Turrentine Jackson has produced an impressive record of Scottish investment companies. Gene Gressley developed a study of some of the American bankers and agents involved in such investments. Allan G. Bogue's very important Money at Interest: The Farm Mortgage on the Middle Border is an indication of the wide range of investigation which must necessarily include land ³ credit, mortgages, real estate as well as ranching, mining, and farming. Dr. W. G. Kerr's "Scottish Investment and Enterprise in Texas" ⁴ and "Scotland and the Texas Mortgage Business" ⁵ are forerunners of a period of more complete studies. These later works are the result of a unique background in British economics and an understanding of both Scottish ^{*} investors and Texas cattlemen.

Any investigation of Scottish investments in the American West must begin with an understanding of the mainstream of economic history during the 19th Century, and a sampling of the investment attitude. Many early

* See Chapter 15 for a discussion of the literature in the field.

authors failed to understand this investment attitude and thus have had the tendency to isolate such investments from the general theme of European economic development, or from the cosmopolitan nature of English and Scottish interests. The microfilming of Scottish records dealing with the cattle industry has been a great help to American historians.⁶ But it has also had the effect of destroying the context from which they were drawn. This has added to the lack of feeling for the age. In most cases British investments in America have been presented as a significant change in the economic policy of the lending country. This of course is not true. Investments in the American West were but a continuation of the lending policy which had existed for years, and they constituted only a part of the total commitment.

However, a significant investment was made in the American West. Wyoming Territory offers a particular, and the Midlands a general, example of the scope of these investments. From 1875 to 1895 the Midlands were an important area of capital migration and Wyoming was the point. Even at this time, however, the heavy Wyoming interest, or the general Midwestern involvement, should not serve to diminish earlier phases; the farm belt, Texas, Canada, Australia, New Zealand, which must be considered in any wider study. Wyoming was a land suited by nature for cattle and sheep. It emerged as an important area when "cattle" became the magic word for investment and it called upon the resources which had been accumulated in the thrifty decades of Scottish financial ascendancy.

It has generally been assumed that the American West was well known even in Scotland. Reference is made to travel reports and these are given as the source of such knowledge. This is an assumption that needs

consideration. There is a major difference between the coverage of the financial journals once the boom had begun, and the popular magazines in anticipation. In official sources the financial and legal information was extensive and most often correct; in the popular press it was amazingly limited and ignorant. This information is a part of the larger investment picture, particularly in the case of those references to the 'small investor'.

Scotland's reaction to investment, popular and financial, ranged from one extreme to the other as exaggerated prophesy gave way to far more practical accounts of political and financial activities in the late 1870's and 80's. Coverage, even editorially, concerning the situation in the West, particularly the Midlands, was extremely limited. In comparison to the early coverage of Australian emigration it was almost non-existent.

Something needs to be said concerning the scope of this study. It is concerned chronologically with that period from 1875 to 1890 with roots and extensions apparent in both directions. It is a period of vast overseas investment, migration and influence which matched in time the period of the Territory of Wyoming.⁷ The accession of this period coincides with the European decline of the railway "mania" and its development in emerging countries. It coincides with the arrival of the credit mobile idea in the 1860's,⁸ or the legislation on limited liability in the late 1850's and early 60's. In the United States this emerges during the era of recovery following the Civil War. In Latin America the beginning may well be marked by Argentina's decision in 1860 to pay British claims against her earlier defaults.

This period comes to a close at the end of the Century. Symbolically this can be seen in the repeal of the Red Flag Act in 1896 -- a fit symbol of the coming motor age -- or of Black Week in 1899. In Latin America it came with the realisation in 1893 that the purchase of Argentina's commodities in Britain began to exceed the value of the sale of British goods in Argentina.

This study has geographical limits as well. While it is impossible to completely separate the British story I am primarily concerned with the Scottish aspect of it. The early economic growth of England is complex and that of Scotland is made more so by the Act of Union. Scotland's contribution in the Midlands, however, can be separated into a different if not totally isolated study. British investments in the Trans-Mississippi West covered a wide range of activities from Texas to Washington Territory. This study, however, centres on that bank of grass land states which lie as a high plateau between the prairies and the Great Basin: A unique place called the Midlands. Of these states Wyoming, the great plateau pasture, was to be the receiver of the largest amounts of Scottish investment capital. Only Colorado, the "American England" was to have a larger British population during the Territorial period.

Professor Leland Jenks has defined investment: "The employment of purchasing power to procure an income, no matter by whom performed, or where, or for what purpose, is an investment of capital." I wish to expand this somewhat to include the investment of time and persons with the same desired outcome. The investing individual had nationalistic

characteristics which in the early years was strong enough to drag
frontiers after them in order for the investor to have the best of both
11
worlds.

Great Britain's widespread investment picture was such that it gave
the nation a "world mindedness" that is very difficult for a newly in-
vesting nation to understand. The influence of such capital is vast and,
like the atomic bomb of our own generation, it held fallout potential as
well as explosive power. The use and direction of it as a force was one
of great magnitude. Whether it was used in "ignorance or design the
pecuniary reckonings which direct the migration of capital chart a
12
course for modern history".

The growth of international investment was a necessary condition of
the trade of the modern world. Newly emerging countries would have been
greatly retarded if they had had to draw capital for railways, utilities,
mines and industrial growth from their own limited ability to save: By
the same reckoning a central mark of this period was the linking of the
13
British overseas investment and the migration of people.

In order to deal with Scottish investments within the context of
British economic expansion this study begins with a brief background
look into the general investment period. It then turns to a look at
Wyoming and the Midlands by dealing with Wyoming's expansion to
territorial status and the coverage of the West in the Scottish press.
Since it was in the mortgage and trust area that the first investments
were made it is necessary to consider these early companies even though
their investment in Wyoming Territory was generally limited. Although

much of the investment capital leaving Scotland for America was filtered through individual promoters and banking houses it was the joint stock company, particularly after the Limited Liabilities Act of 1855, which was to make the first major inroads in the Trans-Mississippi West. This influence, in various degrees, was basic to the Midland development.

The bulk of investment money in Wyoming was dispersed in the many aspects of the cattle industry. These dramatic and fast growing companies had become a second "mania" and for the period of this study they were a prime investment. General consideration is given to those companies operated by Scottish investors in the Midlands and considerable detail is given to those which were operated within the Territorial limits of Wyoming. Within this framework companies which had headquarters or major ranges in Wyoming have been investigated. In some cases the investment, like the cattle, were spread over several areas with many ranches but as much as is possible this search is limited to that aspect within the Midlands. Those outfits like the famed Matador, which had minor wintering ranges within the Territory, have only been mentioned.

The more famous companies located in Texas and in Indian Territory have not been covered. These include such important outfits as the Prairie Cattle Company, Ltd., The Texas Land and Cattle Company, Ltd., the Matador Land and Cattle Company, Ltd., and The Hansford Land and Cattle Company, Ltd. with a total investment of near \$6,000,000. This is not to overlook the importance of these early, and in the case of the Prairie, very successful companies. W. G. Kerr and others have given them prime consideration and they are outside the area of this study. An equally important reason is, of course, that they were a different type of investment, matched in terms of capital by a near equal amount

invested in land mortgages in the area.

Cattle ranching was not the whole investment picture in the Midlands. Because of this it seems wise to carry the investigation into the limited but very popular area of Midland mining and to the railways, also limited, but important enough to be a part of this picture. As well it was necessary to deal with indirect investments in the sheep industry. Some brief survey is offered of the large number of important, but often untracable, cattle loans.

One additional source of income for the Territory was through the income capital that came by way of the immigrant. Immigration in Wyoming Territory is part of this study though time and space have caused me to concentrate on the Scot and to restrict this to financial advantages. Finally I have summarised my study by dealing with the question of the value of investments: Did it pay? Such a question draws many conflicting answers but there are some fairly stable indications that may be of help if identified. I have ended with a brief analysis of primary works dealing with the Midland's phase of Scottish investments.

There are two areas that I might have been expected to cover in this study that I have not: Insurance companies and debenture ownership. Both are indirectly related but require far more investigation and analysis than is yet possible. These will require a study of their own. Investments were being made in Wyoming by insurance companies of Scotland looking for security placement. This much I have discovered through discussions with bankers and investment directors in Wyoming whose records mention occasional Scottish corporation names. But these references are so vague that the extent can not yet be known. Also, prior

to any definitive work in the investment area considerable study awaits on debenture investment.

I have found material to be both uniquely complete and discouragingly vague. It is a happy condition for historical scholarship that limited companies were required to register and report regularly. These records, primarily at the Company Registration Office in Edinburgh, are very helpful in areas of corporate structure, shareholders, and financing. The same is true of the London Stock Exchange Library where the prospectus of companies are available. Information concerning Midland companies is also found at the Western Range Cattle Industry Centre in Denver, Colorado; The Western History Research Centre at the University of Wyoming; or in the collections of the Wyoming Department of Archives and History in Cheyenne. Newspapers, particularly the Economists, The Edinburgh Courant, the Scottish Banking Magazine (published under various names but usually cited under this title) and the Dundee Advertiser have been a great help.

On the other side it is unfortunate how few records are available concerning individual and group investors. Much of this information, which concerns nearly a million pounds in Wyoming alone, ¹⁵ is lost because such private papers, unlike corporation papers, seldom outlive the first house-cleaning. The search is further frustrated by such things as Wyoming's Judge Carey burning his papers prior to his death and the loss of Alexander Swan's private papers when he left Wyoming for a new start. The investment papers of John Taylor and Sons of London and of John Clay, a long time Scottish representative in American investments, were both lost in the London bombings during World War II.

Chapter One: Notes

1. Hobson, C. K. The Export of Capital. London: Constable and Company Ltd., 1914, 102, 103. He makes a very strong case for British predominance, particularly in his Chapter V.
2. Bright, Davilla Foreigners and Foreign Capital in the Cattle Industry of the United States, M.S. Thesis, University of Oklahoma, 1935.
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6. 94 reels of film dealing with the public records of Scottish companies involved in the American cattle business. These have been collected at the Bancroft Library and are available there and at the Western Range Cattle Industry Study in Colorado.
7. This parallels the Victorian period but the phrase carries too many implications to be of value here.
8. Jenks, Ieland H. The Migration of British Capital to 1875. London: Jonathan Cape, Ltd., 1938, 248.
9. Ferns, H. S. "Investment and Trade Between Britain and Argentina in the Nineteenth Century", Economic History Review, (October, 1951) 203.
10. Jenks, 3.
11. Ibid., 4.
12. Ibid., 5.
13. Prebisch, Raul "The Growth of Foreign Investment in Latin America", Bernstein, Marvin D. Foreign Investment in Latin America. New York: Alfred A. Knopf, 1966, 30.

14. See Kerr "Scottish Investment and Enterprise in Texas" and "Scotland and the Texas Mortgage Business."
15. Peterson, Virgil "Compiled Table on Wyoming Incorporated Companies 1870-1900", RCSC.

Chapter Two: Economic Background

Late 18th Century Great Britain was a self-sufficient nation of the capitalistic variety. Her economy was based on agriculture and domestic manufacturing and was managed and dominated by a landed aristocracy. For a financial centre the European world still looked to Amsterdam where the home of investments and lending capital had moved in its northwestwardly trek from Italy.¹ The outbreak of long and costly wars on the Continent, the near dozen revolutions between 1770 and 1815, and the impact of the new note and deposit system were all to have an affect in forming England as an economic community with capital resources. In the early 19th Century, due in part to Holland's defeat in the naval war of 1781-83, the money centre moved toward London. In England increased faith in the promissory notes of "banks" had led to the realisation that more notes could be issued than there was specie to pay for them: A discovery which Professor Jenks regards as "scarcely less momentous than the invention of the printing press or of the steam engine".²

The trend toward trading and investment participation and the knowledge of such activities was deeply rooted in British history. In the 16th Century voyages of exploration and trading were hard to separate. Trading was carried on by chartered companies of merchants, not by financial companies. Often the Crown extended protection in the form of monopolies and many, like the Thornes family of Bristol and the Hawkinses of Plymouth, were chartered to foreign trade.³

Yet the final decade of the 16th Century brought bullion from the New World; a break in the commercial link between farmer and fisherman;

the emergence of the moneyed man and capitalism. Wealth consisted of money rather than goods and money was available for foreign investment. The expansion of English trade as well as the extension of the European economy to peripheral areas of Asia, India and America⁴ emphasised the need for capital. The first recorded joint-stock company in English history, The Muscovy Company, was incorporated in 1553 and was significant in that it was a financial company not simply a trading company.

Soon English trade was spreading south and east to India, to Virginia, to the Spice Islands. Sir Humphrey Gilbert's 1583 voyages to found a colony were intended to be a "cure for unemployment by planting labourers in America where their needs would make a market for English manufactured goods".⁵ With a sense of security growing out of constitutional government private investment was attracted to the expansion of trade and the improvement of domestic and foreign markets.⁶ The charter companies of the 17th Century and early 18th Century -- The Royal Africa Company (1664), the East India Company (1696), the Hudson Bay Company (1670) and the South Sea Company (1711) -- enjoyed booms in trading.

Though Scotland was prevented from sharing in the profits of the New World through the Acts of Trade efforts were made to engage in the same activities as their English neighbours. William Paterson floated the Darien Company which was designed to place Scottish emigrants on the Isthmus of Darien. Supported financially in Edinburgh some 200 settlers made the attempt but without protection from the Crown it failed. Yet the failure seems to have been a principal factor in persuading the Scots

to accept the Act of Union.⁷ Sixteen of the 25 clauses were economic agreements, four and five dealing explicitly with the factors of shipping and trade. As well, the document permitted Scots to be involved with, and profit from, the East India Company and to engage in private trading companies.⁸

In the first half of the 18th Century there was a great increase in international trade. With the increasing trade came both security and investment knowledge plus concern about the relationship between trade and wealth and these in relation to colonies. By this time the "City" was coming into its own. Money to invest was more plentiful; joint-stock formations were being tried and tested in numerous undertakings; credit conditions were being established and improved; the "3%" was good secure stock. Landed men could now have a share of the nation's finances and participate in its overseas trade. Much of the intelligence, moral-social-literary migration that crossed from Scotland to North America crossed in ships heading that way on economic and commercial errands, sent by landed Scotsmen.⁹

Knowledge, the nature of the risk, the investment "business" were becoming a part of the national intelligence of the English and the Scot. By mid-Century the British were spreading out from their island home and were rapidly assuming leadership as the most traveled, trading, and investing people in all of Europe. The "craze" for speculation led to an accumulation of resources; the techniques of production and distribution; interest in the mechanics of finance; the union of thrift and reasonable risk; the mechanics of market.¹⁰ The knowledge gained from such distribution was an important part of the British dominate position

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in the world of capital. During the 17th and 18th Century the major European powers fought a series of commercial wars concerned with the new overseas market. From these conflicts England emerged the victor, supreme in her market relations with America and India so, in 1763 she¹² had the largest overseas market.

Following the Napoleonic Wars Britain was in an exhausted but potentially powerful condition: Substantially far ahead of the world in her industrial development. The immediate results of the war's end brought on agricultural collapse, credit curtailment, and an acute currency problem. But after a generation of recovery, investment money to loan was increasingly more available. As well the complex financial area and attitude, now called the City, was coming into being. Long term funding of the national debt led William Paterson to the establishment of the Bank of England where "every landed man could now have a stake in the national finances as well as in his country and would find an interest in overseas trade, the foundation of national¹³ wealth."

Funds at this time were coming not from the industrial, but from the landed, proprietor. The union between finance and industry was to wait for a later generation and the railroad. But these funds, admittedly limited, were becoming far more available in London than elsewhere and, by 1815 when England was withdrawn from the Continental revolutions, loans of great size and importance could be floated. During the years¹⁴ from 1815 to 1820 nearly \$50m was invested. Britain's involvement in overseas investments was expanding, if not necessarily profitable.

Interest and investments were found in most developing nations of

the new world as well as in older countries. Latin American mining and engineering developed as speculation in 1824-26 with an authorised capital of well over £24m, nearly £3.5 of which was paid.¹⁵ Government bonds floated by the various administrations between 1822 and 1825¹⁶ raised from £19m to £20m in investment money, but the early foreign investment bubble burst in the late 1820's. B. A. Goldschmidt and Company's suspension of payments on Columbian loans in January of 1826 is often given as the date of the decline and marked the end of the first investment phase. Recessions occurred, banks closed, consols fell heavily with government bonds following. By 1827 every Latin American country but Brazil, and the countries of Greece, Spain and Portugal were in default. This was not a completely unmixed disaster for now for the first time Britain had accumulated readily negotiable assets abroad. These were to be very valuable when the small grass harvest of 1828-31 required imports of a large scale.¹⁸

England's position in 1842 was again a commanding one.¹⁹ The financial crisis of 1846-47 and the increasing signs of political insecurity had the tendency to lessen investments on the Continent. The default of state loans was pushing the trend away from governmental bonds in favour of company loans and by 1850 Britain was in the best position to offer foreign loans. The power of western economic expansion was pushing Britain's regional resources and she saw in the world's vacant spaces something of the promise of Edward Wakefield's idea of the simultaneous exportation of men and money. The reappearance of Continental²⁰ loans after 1851 was stronger and more diversified. For by the late 1840's during the 50's and into the 1860's large amounts of British money was

going into Canada, Australia, India as well as into the United States.²¹
 J. D. Bailey points out in his article "Australian Borrowing in Scotland in the Nineteenth Century" that there was substantial Scottish financing of Australian pastoral ventures, land mortgages and investment company securities.²²

Since the Act of Union it is far easier to isolate Scotland geographically or culturally from England than it is economically for sharing as they do an open and free trade boundry their economic distinctions are often hard to define. There is, however, sufficient segregation²³ to enable us to make some assumptions concerning the Scottish economy. This political and religious act of unity had powerful economic overtones, the most obvious perhaps being the expansion of the American Colonial trade for Scottish merchants.²⁴

The Scots have always combined the spirit of "ardent nationalism with cosmopolitanism, and the reciprocal influence of Scotland and other countries has been of economic and cultural value to both."²⁵
 The free trade which resulted from Union seemed at first to restrict Scotland's industry. But soon the long run advantages were more obvious. For example the early and profitable trade with the American colonies, especially in tobacco, which Glasgow merchants imported and then exported at considerable profit. It was capital rising from this trade that was to provide the early money required for a period of rapid expansion and industrial development.

By 1780 the first signs of the industrial revolution were beginning to be recognised. In agriculture the consolidation of land holdings aided by a new and broader leasing system and the cultivation of new

grasses all moved to improve the agricultural situation. Communication and transportation were awakening a potential trade as well as uniting a people. Roads and canals were suddenly alive with traffic and what had been adequate before now needed great improvement. Steam navigation was beginning to make itself known and was calling upon the limited iron industry for increased capacity.

The rise of chartered banks is indicative of financial conditions in the early part of the 19th Century. "Public opinion hardened against" private banks in the early 19th Century and joint-stock banks with accessably larger capital and diminished risks were moving to replace them.²⁶ The 1810 creation of the Commercial Bank began a move toward amalgamation and the establishment of larger national organisations.

By 1830 the agricultural revolution in Scotland was pretty well set in pattern. In many cases, such as in Berwickshire and Lothians, farms had become large undertakings directed by capitalistic managers²⁷ and employing landless farm labour. New methods were gaining ground. Among these were improved breeding, the enclosure of lands and the cultivation of waste areas, as well as advances in the use of grasses²⁸ and fertilisers and the many mechanical improvements coming to light. After 1830 the dominant characteristic of Scotland's growing economy was the development of metallurgical industries. Everywhere the cry for more and better metals followed the expansion. Starting as a 'coal pit accessory' the railway was to become both transportation and consumer. Steam ships with their greater efficiency on the long haul nevertheless demanded more adequate metallic strength.

Just why this capital for improvement and for foreign investments was available is not as obvious as it first might seem. W. H. Marwick writes in Scotland in Modern Times that the reasons and sources are obscured in the conflicting figures of the period, but he gives credit to the 'cash credit system' and the profits of the Colonial trade. ²⁹

There can be little doubt that these profits turned back into commercial growth were greatly responsible for the industrial capital in Glasgow.

Henry Hamilton feels more secure in suggesting the early profits from tobacco then coming in from the Colonies formed a major part of the

³⁰ lump sums available for investment. However, we must go further than this. A good portion of it must have come from early thrift or at least limited spending on the part of a few. This thrift, of course, was born of the economic expansion and the cause moved, as A. K.

Cairncross has pointed out, from accumulation to thrift to investment to accumulation. The demand for more capital caused many an Edinburgh professional, who would not have done so earlier, to put his money in fairly safe investments. The prodigious thrift of the Victorians was largely dependent on their witnessing the power of capital, not the ³¹ other way around.

The investment of tradesmen and workingmen was affected to a large extent by the development of 'limited risk' and Professor J. D. Chambers' suggests that financial reform came from the "small provincial investor" has merit. But it gives a somewhat false impression if you carry it to the point of suggesting that any major working class investment existed ³² in mortgage and trust companies. The pooled resources of the small

investor was a valid source of capital as was industrial growth and expanded merchant activity. But far more important was the emergence of the professional and the tradesman whose mild success formed the centre of a new upper-middle-class with money to invest.

The investment of the working class was small. Much smaller in fact than many accounts of investments in America's west would have us believe. The origin from which foreign investments sprung may be located first of all in trade for first investors were, as we have seen, merchants. They were followed by men who were willing to lend their, and others, money to be used in productive activities of a large variety. As law and order increased and stability became more possible in the developing countries, one of the basic considerations for attracting capital money had been fulfilled.³³

During mid-Century the greatest share of British savings went to the local development of towns and railroads. Only a small portion of the savings found its way into Continental and foreign loans in the form of enterprises and speculative government bonds. It was after 1870 that the growth of capital assumed major proportions in overseas development as the "frontier of natural resources was thrust back and the produce of the frontier found a ready market in Britain".³⁴ With the legislation of limited liabilities in 1862 the joint-stock companies developed. This means became popular during the early railway mania. At about the same time the 'Exchange' enjoyed a brief vogue as did the credit mobile. As well some investment was accomplished through institutions known as Friendly Societies which developed along incorporation

lines and were almost trade union in character. On some occasions small working class investors lent their savings to the town council
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for public ventures.

The small investor during the early part of this period was susceptible to the most elementary and consuming swindles. He often depended on his personal feelings toward a particular banking house and had little economic knowledge of the workings of the stock exchange. Most investors had even less knowledge of the workings of the countries or the establishments they invested in and they took on the most unlikely
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and questionable ventures. The investor rarely understood that the banking houses generally had no stake at all in the loans they were responsible for issuing. Few knew such houses gained in commission and insurance charges regardless of the final disposition of the money
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loaned to foreign governments and enterprises. Misrepresentation was often carried to the extremes as could be seen from casual reading among the promotional literature of various companies. And there was no legal recourse for the investor.

It is important to note here that within the investing community there was no cleavage between the landed and industrial interests. The fortunes of each quickly became involved in the other as the newly rich of industrial growth sought traditional positions based on land, and the landed found industry a promising use for their capital. Early landlords, of which the Earls of Eglinton and the Duke of Portland are but examples, found themselves fostering and participating in the development of the industrial complex while at the same time industrial wealth, represented by the Finlays and Mathesons used their wealth in the

purchase of land and that which went with it.

A. K. Cairncross suggests that there are few better times than Victorian England for an inquiry into economic development. It is true that powerful factors were transforming the whole character of the civilised world. People were being both motivated and restricted by their times. It was a period of balance in which the scale swung none too gently in the favor of town over country, of industry over agriculture, of overseas over home investment, of alternative hopes and fears.³⁹

Looking backwards we get a far different picture than they must have seen and understood. It appears to us that there was a fairly steady and rapid advance in capital, standards of living, and the growth of trade and investments. But the recessions and depressions certainly were as awesome and predictive of doom to those then living as each financial crisis seems to us. They were so real as to lead Cairncross to question whether these 19th Century persons understood any belief in progress at all.⁴⁰ Granted the romantic notions surrounding the word, we still need to remember that the spasmodic nature of the rise may well be a product and not the cause of the belief in progress. For in a very real way progress is inclusive of recess and is often mingled in the modern mind.

It was symptomatic of Great Britain during the latter half of the 19th Century that she be involved in the utilisation and sophistication of the technical developments of earlier years and that she become involved in the future of the power of steam. It was symptomatic as well that in this age it was possible to see a substantial rise in the

material standard of living. This increase was sustained not only by increased domestic production but also by the rise in foreign trade in which Britain was producing for the world. It was also symptomatic that the nations of western Europe invested abroad nearly as much as the national wealth of Great Britain, the industrial leader, and that she herself was investing abroad an amount matching her industrial and commercial capital, and that she drew one-tenth of her national income⁴¹ from interest on investments in foreign fields.

These were years of rather unique economic expansion. Britain's export value alone increased by 90% between 1850 and 1860 and by 47% in the decade following 1860. The amount of unused savings which⁴² accumulated after 1866 was much greater than at any previous period. Wages which were fairly steady from 1830 to 1850 rose by nearly 56% in the next twenty-four years. Between 1865 and 1875 capital increased by⁴³ nearly 50%. The long run stability of British economy and the absence of any chronic sterling shortage was important. This was due in part to the rhythmic flow of population and capital between Britain and the under-developed countries. The inverse relationship between construction cycles was of growing importance in the United States, Australia, Canada and many other investment countries.

While it must be remembered that all of the major countries were involved in the investment business and that these activities were intimately related, it is safe to say that none played anything like the role that Britain was to play following the 1850's. Of major significance to this position was the fact that the movement of capital abroad came to match that spent in domestic expansion. In a large part this wealth was based on trade, but not on any mercantilist concept

of a closed system. Nor was the trade dependent on colonial domination.⁴⁴
 The widespread adoption of the gold standard and its accompanying exchange stability was partly a cause for increased investment. The growth, however, was generally free of governmental interference as was becoming the age.⁴⁵

The 1850's also saw the completion of major railways in Britain which resulted in more investment money for foreign ventures. Domestic trade conditions had been greatly altered by the completed systems. Most important, perhaps, railway completion was to have the effect of drawing the capital market to London. The early years of railway development had been dependent on capital raised in centres such as Leeds and Lancashire where local investors could watch the effect of their capital. But the increasing amalgamation of railways ended much of the incentive for attracting local support and made them more dependent on London's extended borrowing powers.⁴⁶ It also had the effect of bringing to a close the gap between industry and finance and between the wealthy and the middle-class investor, for it was a period of far wider financial participation.⁴⁷ During the period 1870-1900 British investments abroad grew faster than those at home; in some years this foreign investment was as high as 7% of the national income.⁴⁸

Dr. Adam Smith, saying with sophistication what many were already thinking, emphasised in his 1776 essay that monopoly is always disadvantageous -- that "free exchange benefits all parties".⁴⁹ Success in preventing "the sneaking acts of underling tradesmen" from being enacted into empire policy was to mean that the international flow of capital operated in an almost complete absence of governmental imposed

controls. Taxes in these areas were low and exchange controls usually were non-existent. By about 1860 Great Britain had managed to remove most of the artificially erected barriers to free trade. Manchesterists certainly favored such an open policy and pushed it. It became so much a part of British policy that in 1881 the Fair Trade League, which tried to encourage a protective tariff, made very few gains.
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Empty continents sought settlement and untapped raw materials awaited release. The necessary flow of men, money and materials were both the keys to unlock and the results of having been unlocked. Capital flow itself is a part of the complex foundation of the expanding economics which produced the capital. The economic stimulus calling for British investment was not to be found continuously in one area or another. It moved for many reasons. Faith probably has a great deal to do with it; faith reflected in the almost autonomous willingness to invest or not to invest in some particular area. It was also dependent on price relationships between import and export and on expected rates of profits, emigration movements and default records.
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The annual export of capital in 1860 was £60m. This amount reached its maximum in 1872 with £83m. It slumped after that with the years 1875 to 1880 seeing more capital withdrawn than exported. In the 1880's export capital was pushed into wider distribution, to Latin America and to Australia. Britain was paying in part for her increased importation of foodstuffs by offering financial service.
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The year 1890 saw export capital again reach a high of £82m. During the Boer War considerable financial capital was consumed by the war effort but capital exports

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moved ahead slowly thereafter reaching £246m in 1912.

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The British export of capital amounted to about £3,500m. These figures vary considerably with different analysis but these reflect those used by A. G. Ford and A. R. Hall. These are based on estimates by A. H. Imlah who "calculated the British current account balance of payments and adjusted this for gold movements to give a net 'capital export' for each year of the period".
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Matthew Simon has done a very interesting computer study of these figures. During the period 1870-1914 he places the 'new world' investments at 51% of the total which amounts to about £2100m; with North America taking £1,400m. The other continents each received at least 10% of long term exports. A further breakdown determined by this study was that 60% was sent to independent countries and only 40% to the empire. Of this total 70% was significantly loaned for the building of social overhead capital; of this the largest segment was 46% for transportation (41% of this railways). Less
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than 12% was invested in industries and less than 4% in manufacturing.

Some literature on the 'new imperialism' since 1870 has cast doubts on the thesis that imperialism was basically an economic phenomenon. This view is that over production and lack of further lucrative investment opportunities at home impelled Great Britain, as well as France, Germany, and Holland, to seek new markets and to control them. This also generally supports the idea that this pressure was behind the imperial expansion
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after 1870.

S. B. Saul's work The Myth of the Great Depression questions this
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position by doubting the economic intensity of the depression. Arguments presented by David K. Fieldhouse in his work "Imperialism: A Historiographical

Revision" also questions this and in particular raises doubts about
 this fact for Great Britain. ⁵⁹ L. H. Jenks indicates that "during the

period from 1815 to 1875 'imperialism' was not a prominent factor in
 the movement of British capital". ⁶⁰ Jenks also points out that it was

often true that foreign investments were growing when business at home
 was encouraging. The inducement of higher interest rates was a valid
 cause for the investment in foreign lands, but perhaps more important

was the access to "loanable funds which impelled the migration of British
 capital". ⁶¹ However, there are early evidences that indicate a real, if

not permanent relation between the limitations of investment opportunities
 at home and the obvious advantages of those areas with an abundance of
 materials and a lack of capital and labour. Often in this investment

period wealth accumulated in the hands of capitalists faster than it could
 be expended domestically. Wakefield's systematic colonisation system

included the migration of capital as well as labour. ⁶²

There was no set economic theory behind the rise in Great Britain.
 In fact there were no positions or schools of thought which might be
 called orthodox economic theory until late in the Century. What thought
 there was consisted rather of a series of controversies in which many
 views came to light. ⁶³ Of these the 'quantitative theory' seems to have
 had some success and acceptance. There were many ideas available; the
 Currency school with its fear of financial panic running far higher than
 unrest over employment failures; the Banking school which placed great
 faith in 'unemployed capital'; the Depressionists and the Treasury view.
 The Quantity theorists, which seemed to unite a large group, tended to see
 the money supply as the chief determinant of price levels even though
 they offered very little explanation as to just how this happened. ⁶⁴

Chapter Two: Notes

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Chapter Three: Resettlement of Funds and People

One of the outstanding features of the 1870-1900 period was the vast resettlement which was taking place. An internal and external resettlement which was one form of response to new means of transportation and communications. The declining agricultural population was a combination of overseas emigration and a short ranged urban directed migration.¹ In 1831 half the population of Scotland was engaged in agricultural production but by 1891 this had been reduced to one-fourth. The growth of large scale factory production of food, says Marwick, is "even more characteristic of the period than is that of dress".² By 1870 agricultural was far less important than mining, building, or manufacturing as a source of income. Even Scotland, which had not shared England's agricultural prosperity until the 1870's, was found to be strongly commercialised in its form of land ownership and farming.³

Up to 1840 or so the majority of British capital invested abroad was made up of subscriptions to foreign loans. During this early period railways both in America and Europe were major receivers. During the early stages of the latter half of the century the growth of the output of floating capital and the development of promising yet distant fields coincided with the increased competition for the more established fields. Yet it does not appear that the opening up of new areas meant less money was available for the older area; only that more was now available and could be invested in India, Canada, Australia and Latin America.⁴

During the early 1830's and 40's private investors had become active in India. British planters began heavy investment in tea, jute and in coffee. Jute was particularly important during and after the Crimean War. The first jute-spinning mill, an industry with basic connections in Dundee, was started in 1855.⁵ In railways £14m from the British shareholder had been invested; due in part to concern in opening the interior to British trade and the export of raw materials. A large upswing in trade had followed the settlement of the mutiny and, during the American Civil War, India became one of the best investment fields.⁶ By 1870 it had drawn nearly £150m British capital.

The beginning of major capital orientated sheep raising in the 1820's was to form the economic base for the early Century's investment in Australia. The employment of large amounts of private investment money began about 1834 when New South Wales passed legislative backing to encourage capital; and the Bank of Australia received a Royal charter.⁷ Gold discovered there in 1849-51 drew large numbers of emigrants who settled and worked the land once "quick riches" were replaced with the new reality of land labour. These pastoral investments were to have value in later American involvement.⁸

In South Africa the British had been extending some control but it was not until the discovery of diamonds in 1871 and gold in 1878 that British emigration and capital were greatly involved. Trade with South Africa was fairly well restricted to the last quarter of the Century.

Canada, of course, had been of political interest since the 17th Century and funds had been going to Canada for some time under such

ventures as the Hudson Bay Company, the Canadian Company, and the North American Company. In the 1850's considerable investment was made in the Grand Trunk (1854-1864) Railway. Unfortunately it was routed for political and not commercial reasons and it ended by never paying its own way. It eventually cost the British investor £12m.⁹ The expansion of British North America was delayed by the Pre-Cambrian Shield, a barren and rocky wilderness which had the effect of breaking the expansion of westward moving Canada. It was not until this was effectively broken by the Canadian Pacific that the Canadian emigrant began a steady movement into the plains regions.¹⁰

Investments for exploitation and development has always been a part of the history of Latin America and British investors have generally been a part of it. Large scale investment opened in the 1860's and rose gradually, expanding quickly in the 1890's. This extension was undoubtedly related to Latin America's assumption of a position in world trade which not only attracted capital but provided the machinery for the transfer of investment yields. United Kingdom investments in Latin America have been estimated by Dr. Raul Prebisch as £85m in 1870 to about £750m in 1914. There was a sharp drop in the 1870's and a minor fluctuation in the decade following 1893, but generally they rose rapidly. British investment increased by 1880 and it is estimated that they had £123m in Latin American government bonds and £56.4m in a variety of endeavors including railways, mines, banks, utilities, shipping and real estate. Defaults on governmental bonds were numerous but by 1880 most British orientated enterprises in operation were paying dividends of some sort.¹¹

The 1830's witnessed an investment boom in the securities of the United States. It is estimated that in 1807 £16,700,000 of the American national debt was still held in Britain.¹² In the 1830's, probably as much inspired by lack of investment opportunities at home as by any American appeal,¹³ London banks advanced nearly £30m. Loans amounting to £66m were accumulated by 1835 and an additional £108m was supplied in the following three years.¹⁴ This bubble broke, however. The specie circular in July 1836, the Bank of England's alarm at falling reserves and the decision to raise the discount rate,¹⁵ the break in commodity prices occurring in cotton all contributed to the crisis.¹⁶ Finally debts were repudiated and the saturated English market would buy neither cotton nor securities.

The result was an American orgy of bankruptcy, failures and public and private repudiation. In March of 1840 the Senate divorced itself from debts incurred by the various States; in February of the following year the United States Bank closed; States repudiated their debts. An estimated £23m was added to British losses. The popular and financial press was dotted with comment and abuse. There followed nearly a decade in which there was very little market, if any, for American securities and where American official attempts to borrow money for the federal government were financially and sometimes literally snubbed.¹⁷

It was not long however until there was some willingness to send "good money after bad" in hope of making the bad pay off. The swing provided bonds to rebuild. But the lesson learned was a deep one and it was a generation before the investor at large was greatly attracted to American securities. British capital had very little to do with

American industrial growth during these lean capital years. For in America, as had been her general trend, the British had never encouraged the development of competitive manufacturing.¹⁸

The discovery of gold in California was to signal a new phase in investments which moved funds into the Trans-Mississippi and Pacific West. By 1870 the British were estimated to have a major share in some £300m invested in the United States.¹⁹ Government bonds held in England at the close of 1870 were valued at £160m and joint-stock investment in rails totaled about £40m.²⁰ By 1885 this had risen to roughly £300m but not before a very serious reversal in the early 1870's. The financial crisis in the United States and on the Continent in 1873 brought investments under a dark cloud. But this was reversed, at least for the American West, by the ranching and land mortgage "mania" which saw another £6m to £9m of British investment in the next 25 years.²¹

Even while heavily involved in America, Britain had added to her investments in the empire, particularly in India and Australia even though her aggregate of foreign investments in 1880 was no more than it had been in 1875.²² In 1870 just over a third of her foreign investments had been within the empire, fully half were within the empire in 1885.²³

The financial chaos of 1893 led to a panic in the United States. When prosperity returned in 1895-96 British capital did not follow. While certainly not the cause of all the problems that followed, the Baring crisis of 1890 acts as a pivot on which to trace the decline of foreign investments. Subnormal business conditions developed in Europe in 1889, unsteady markets at home required other investors to withdraw capital, Baring's holdings in Santa Fe Railroad shares had to be sold

reducing the stock values of all American railways, and foreign investments were considered shakey. Baring's collapse could have dominoed into a real strain on the City's credit. The Bank of England arranged temporary support with the aid of the joint-stock banks and financial houses and was able to save the City's credit but not the House of Baring.²⁴ The decision by many of the joint-stock banks to deposit more funds with the Bank of England allowed the latter to increase its idle assets²⁵ without reducing its income. This relieved much of the immediate pressure but it did not solve the general depression which was to be felt in several major countries. By 1891 trade was somewhat restricted and unprofitable. England's unemployment was growing and reached a maximum in 1893. That same year witnessed the banking crisis in Australia and fears over the uncertain currency policy of the United States surrounding the Sherman Act of 1890.

There was an upward swing in 1894 but it was not greatly encouraging. In 1896 wages rose. For the next two years political troubles and the German economic situation was causing London to find money dear. Business in Latin America, the United States and Germany was reaching new peaks. War was seen as inevitable between the United States and Spain and the Fashoda incident was threatening the same with France. The Boer War upset the gold movement from South Africa.

Economic growth within the various developing countries was directly related though not completely dependent on British capital. In every country the creation of social overhead capital is a necessity and this is always a high priority item in their final development. Available investment capital is urgently needed during the early years and in this respect British investment capital played an important role.²⁶ The

complementary aspect of the trade was extremely important to British investors as well. But it was also a part of the increasing problem surrounding her balance of trade. For while Britain was gaining from the advantages of the complementary effect the trade was expanding multilaterally and was thus open to all comers. True, the fact of British investments gave her many indirect and some direct advantages. But expanding economies draw their needs on an increasingly competitive scale. More and more able to produce for themselves they were less and less inclined to purchase those things previously imported from Britain. ²⁷

A. K. Cairncross in his investigation of Scottish capital exports suggests: "There is some evidence that there was greater readiness to ²⁸ lend abroad in Scotland than in England." Scots often controlled the colonial banks and as well had agencies for collecting deposits all over Scotland. Early advertisements appearing in The Scotsman and other papers North of the Tweed sought debenture and deposit money. In addition the mercantile system developed the use for private investment on a large scale. Finally he suggests that Scottish trust funds appear to have been ²⁹ easier to place in colonial securities than English funds.

Before union there was little banking in Scotland but the Parliament of 1695 had authorised the establishment of the National Bank of Scotland which enjoyed a monopoly, until 1727, for its near 1400 shareholders. Then the Equivalent Proprietors entered the field with a charter for the ³⁰ Royal Bank of Scotland.

In 1727 the Royal Bank introduced what was to be known as the cash-credit system where merchants with cash accounts at the bank "shall have credit for any specific sum they shall fix upon" up to £4,000. In a

expansion, Scotland's banking system in 1865 consisted of 12 independent banks with 694 branches collecting deposits and making issue. During the 35 years till the end of the Century capital had been steadily increasing at a greater ratio than population, even if it is likely that some men of means were less well off.³¹ The number of banking corporations decreased while the branches increased. The Scottish Banking Magazine of 1867 estimated a £70m deposit in the thirteen joint-stock banks in Scotland which listed 711 branches. Andrew Kerr in Scottish Banks shows in 1877 there were eleven banks with 807 branches; in 1883 ten banks with 912 branches and in 1898 there were 1015 branches representing ten banks. During this time capital stocks had risen from³² £17m to £28,750,000.

It was the Scots who brought investment trusts their popularity, especially in the area of exporting capital. The passage of the Companies Act of 1862 limited the liabilities of the shareholder and made such organisations appropriate to the risk. These were ways in which investment of stock could be directed with the idea in mind to develop above average earnings. The means by which investment funds were raised followed a fairly standard pattern. The idea was to issue shares usually in £10 denominations, calling in from say £2 to 5 pounds. The uncalled for capital acted as a reserve security against the debenture holders and overdrafts. In many cases the amount of debentures accounted for three or four times the total of paid-up capital. The idea generally was that the total of the debentures and deposits should not exceed the un-called portion of shares. This procedure, which allowed them to borrow money in Scotland on debenture at from 4 to 6%, allowed them to

place such money in American loans at from 9 to 13%. In the early attempts there was a tendency to invest in a diversified portfolio but they developed single venture trends quickly. The trust name, after 1866, was often used to avoid the suspicion the 'limited liabilities' name had because of its link with shareholder frauds. ³³

Two very important early trust promoters were Robert Fleming of Dundee and William J. Menzies who established the Scottish-American Trust Company, Ltd., and the Scottish-American Investment Company, Ltd. ³⁴ By 1900 some fifteen such companies had been formed. Blackwoods Magazine in 1884 reported: "Three-fourths of the foreign and colonial investment companies are of Scottish origin. If not actually located in Scotland they have been hatched by Scotchmen and work on Scottish models. Quite as many of them have their headquarters in Edinburgh as in London, and even the English ones find it necessary to come to Scotland for the debenture money and the deposits with which high dividends are conjured up". ³⁵ This may be just a little exaggerated, but it was reported that Edinburgh, Glasgow and Dundee were "honeycombed with agencies for the collection of money" to be used in a variety of countries ³⁶ for numerous ventures of which land mortgage was in high priority.

A limited beginning had been accomplished in the decade following 1830 with the Illinois Investment Company, the North American Company, the Michigan Investment Company and the Galena Investment Company, all but the last which provided annual dividends of from 12 to 15%. ³⁷ Private investment occurred on rather a large scale through mercantile houses ³⁸ in the colonies and in foreign trade. The Scotsman ran dozens of

advertisements for money on debenture deposits in the colonies and the fact that they continued over the years is some evidence that they were getting a satisfactory response.

Emigration prior to 1750 was primarily composed of English agricultural persons. A second major group were those emigrating for a particular purpose. The most prominent were the Ulster Scots, known in the States as the Scotch-Irish. Two Scottish attempts to settle Nova Scotia failed but emigration attempts were to continue. A 'flood' of emigrant literature returned from those that had gone ahead. Three hundred books and pamphlets were published in Great Britain from 1837 to 1860 concerning emigration to America. Most of these accounts were limited to the eastern regions, and are very provincial and often seem to be designed more as a means of personal grandiloquence than any sort of objective reporting.

Those dealing with the West vary considerably: Edith Nicholl Bowyer's Observations of a Ranchwoman in New Mexico (London, 1898) a very human and descriptive account of her life in the West, Thomas Carson's Ranching Sport and Travel (London, n.d.) an account of the emigrant in Arizona to Alfred George's Holidays at Home and Abroad (London, 1877) who finds America valuable only as a means of appreciating England. All were not favorable of course. One Scottish emigrant, James Logan, warned that men would be wise not to risk life in America unless they came with a great deal of capital.

The general assumption of the Malthusian theory resulted in the acceptance in many quarters that emigration was an answer to relieve unemployment and its accompanying evils. This soon led to Edward

Gibbon Wakefield's theories of colonisation. These resulted in the Ripon regulations of 1831 and eventually to the formation of the New Zealand Association of 1837. Wakefield proposed that colonial land be sold only as needed in order to avoid speculation and its problems. The money from the sale of land would be used to cover the costs of further emigration. This would produce a steady supply of land and settlers to fill it. According to the plan new settlers would be carefully selected to be sure of a balance of age, class and sex. ⁴⁰

The Times eventually swung from its previous "imperiously anti-emigration" attitude to a "mildly pro-emigration position". ⁴¹ Some followed the Times while others were more inclined to accept Sharps London Magazine's warning that perhaps England was being a little too quick to encourage the emigration of her life's blood. ⁴²

Many aids were established to encourage the would-be emigrant. Most such aids were short lived. The British Emigrant's Mutual Aid Society was established in 1842: The British Temperance Emigration Society failed in 1848, ⁴³ just to mention two more prominent ones. There were also several combination railroad and emigration schemes with agents in England during the 1840's and 50's. The Northern Pacific Railway employed more than 800 agents in the United Kingdom to recruit emigrants at town and country fairs; the Pennsylvania Railway in connection with several western lines opened a London agency in 1870 to sell "cheap and comfortable" passage to the west to help immigrants to select farms. ⁴⁴ Land companies were active as well with such organisations as the Nova Scotia Land Company and the New Brunswick Emigrant Society, The Universal Emigration and Colonial Company of the Texas region. The

Albion Phalanx of associated emigration societies operating in London represented a heterogeneous collection of potential emigrants.

County and even municipal emigrant organisations were established. During the 1840's emigration by national lottery was tried with the prize including everything from ship tickets to resettlement lands.⁴⁵ Labour groups and business men tended to support the outward movement. Labour saw it as a means of reducing competition for wages at home -- prosperity through scarcity -- and endorsed emigration as the cure-all of industrial evils. Business leaders in hope of trade felt they would not only provide markets for goods and investments but would also produce raw materials and support the shipping trade. There was often some considerable disagreement, however, as to whether such emigration should be directed toward America or toward the colonies. After all, William Greswell had written in the Fortnightly Review, why should we send emigrants to America when Australia is so bare and so in need of settlement and labour. He was particularly concerned, as were others, with the suggestion that the state be involved in helping those who might wish to go to America. If such help was to be given it should be given by private groups and religious establishments.⁴⁶

In Scotland some successful attempts were made to emigrate large groups of agricultural people. Important land owners like the Duke of Argyll and the Duke of Sutherland were responsible for the departure of hundreds of emigrants from their area. In 1841 over 700 went to Canada,⁴⁷ a hundred went the following year. The Times supported the idea that agricultural wages would increase if it were possible to cut down the number of available workers.⁴⁸ But emigration support was not universal.

The Manchester theorists were always against paternalism and when this took that form they stood against it. The Radicals and Chartists saw it as a case of relieving the pressures and thus prolonging much needed reform. The English utopian schemes were even more unrealistic than labours attempts had been, and they fell from favour. Richard Hartzel of the Times wrote Texas and California in the 1840's warning against settlement on the prairies as did Charles Hooten in Rides, Rambles and Sketches in Texas.

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Emigration was very much a part of the economic period of our study. Between 1861 and 1901 half-a-million Scots left for the United States. Many left in emigrant schemes like those of Patrick Matthew and Alexander Campbell. There were other such colonies in Albion, Illinois founded by Morris Birkbeck, Carlyle, Illinois, Arena, Wisconsin a refuge from Liverpool provided by the British Temperance Emigration Society, Caledonia, Le Roy and Scottsville, New York all of which were emigrant communities with a "purpose".

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But in the main the largest number of tradesmen and industrial labours made their decision and migrated on a strictly private basis. Emigrant societies and trade union emigrant aids were disappearing over the country. The Potter's Emigrant Society Journal, long a standard publication, closed down. The return to prosperity in the 1850's was to cause some segments of the society to point out Britain's need to keep her skilled workers. But the abandonment of emigration schemes, even the growing opposition of manufacturers, did not have any real effect on the outcome for the outward trend of Britains was to continue.

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It is difficult to establish the exact relationship between emigrant

movements and the export of capital. The figures indicate that the growth of capital abroad will imply an increased emigration and vice versa with the labour demand being an important factor. The following gives some idea of this. The net loss by emigration in 1871-80 was 257,000 while the export of capital was £266m. In the next decade the emigration loss was 819,000 and the export of capital £561m. From 1891 to 1900 the net loss by emigration had fallen to 122,000 and the export of capital fell to £286m.⁵³ These figures are used by Cairncross; C. K. Hobson uses a somewhat different breakdown but the same impression is given showing a relation between capital and emigration.⁵⁴

Periods of active borrowing and emigration seem to run together. It must be seen however, that while most emigrants appear to have come from the country areas, the migration loss of rural districts was generally enough to cover the total of the net emigration from Britain as well as the chief urban areas.⁵⁵ The emigration of urban workers was to increase as America and the colonies became more industrial. The Trans-Mississippi West, however, drew primarily agricultural emigrants. M. L. Hansen indicates he has sufficient evidence to suggest that immigration and dispersion were part of the same circle so that optimistic attitudes in receiving countries drew immigrants; crisis, on the other hand, dispersed them westward across America just as it had pushed the emigrant from Britain.⁵⁶

Perhaps central to the emigration pattern was the situation labour was in in terms of land and employment. In those areas where capital investment was promoting industrial and commercial development in foreign countries the flow of emigration was steady. In those areas

where development at home was expanding industry, emigration altered to migration from rural to urban areas. This was the case in western Europe and to a lesser degree in America from east to west. It was after all also true that eased transportation costs and conditions, as well as the call of free land, sustained the flow of people from Europe.

Political reforms had begun to make it unnecessary for many to flee but there is little doubt that steam ships on the Atlantic made it easier to do so. The result contributed to the cause for as under-developed areas began to add agricultural production the squeeze on small rural communities increased thus encouraging more emigration which, in turn, had become easier.

A much more difficult concept to define but one that must be mentioned here was the degree to which the British, and in this particular case the Scots, knew the world outside of Europe. Emigration as well as investment was not nearly so traumatic to those persons whose backgrounds included trading companies, investment companies, emigrating and traveling. Specific knowledge might well have been lacking in the American Midlands but there was no lack of the feel for other lands. This was a sort of freedom that seems evident, though undocumented, in the emigrant studies carried on by men like C. E. Carrington and Rowland Berthoff.

Numerous other less defined conditions contributed to the exodus. Of the forces luring the emigrant perhaps the most basic, and most difficult to define, was land hunger and its dream of individual self-reliance. Such a dream was encouraged by the seemingly unlimited lands of America, Canada and Australia where political and economic utopia seemed to await.

Chapter Three: Notes

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Chapter Four: Investment Knowledge

Wyoming is a land of space. As in the beginning it was that space which kept men from her, so in the end it was space that drew them to her. Wyoming stood as a midland, often as a barrier, between here and there. She stands as the world's largest pasture, isolated by mountains on the one side and miles of prairie on the other. At the top of this world lies the plains named for Jacques La Ramie which extends at 7000 feet from Colorado to Laramie Peak and fifty miles across from the Laramie Range to Medicine Bow. The Territory, formed along the same lines as the present state, occupied nearly 98,000 square miles, less than 6% of which has ever been plowed. It is seven times as large as the United Kingdom.

Settlement began in 1843 when Jim Bridger built a post on the Green River to supply the emigrant trains that were passing that way. Life came to the area with the Union Pacific which started west from Omaha, Nebraska in December of 1861. The first terminal of the rail was in Wyoming and was reached on Independence Day, 1867, and named Cheyenne. The spark of settlement was there and it caught along the Union Pacific tracks for two hundred miles to the west. By 1869 nearly 8000 persons were counted, a large number of foreign birth. By 1870 the American foreign born ratio was four to three, 4258 to 2961, and while Americanisation was taking place the "British prototype" was the strongest element of "civilisation on the successive frontier".¹ The early residents of Uva, at the mouth of the Upper Laramie River, referred to the area north as 'Little Dublin',

while the North Laramie was called 'Little Glasgow'.²

President Andrew Johnson signed the organic act for Territorial³ organisation on the 25th of July 1868 drawing Wyoming Territory from its disinterested parent, Dakota Territory. As the October 1867⁴ Cheyenne Leader reported, "Dakota is a slow coach; we travel by steam". Territorial appointments fell to President Grant who selected the Republican John A. Campbell of Ohio as Governor. Campbell was a firm supporter of ranching interests. In 1871 he sponsored the formation of the Wyoming Stock Graziers Association. He called this group into meetings simultaneously with the second legislature and for several days they held joint sessions. The result was the basic bill -- Protecting Stock in Wyoming -- which prevented out of state drovers from letting⁵ cattle run at large. This was to make Wyoming cattle country.

Time quickly healed Wyoming's boisterousness as Cheyenne became⁶ the undisputed centre of the Midlands and the headquarters of cow country. Cattle was her economic hope. In 1830 Captain William Sublette had brought cattle into the Wind River area; Seth Ward wintered some on the Chugwater in 1853; Alexander Majors, later a promoter of the Wyoming Cattle Ranch Company, Ltd. and transportation developer, claimed to have wintered cattle in 1853-54 and to have been responsible for the⁷ industry in Wyoming. The first permanent range herd came in the Autumn of 1868 as W. G. Bullock and B. B. Mills of Fort Laramie drove cattle in from Kansas, Iowa and Missouri. In the same year John W. Iliff brought a herd of Longhorns to Cheyenne and John Hutton and Edward Creighton placed 3000 head of Texas cattle on the Laramie plains in 1869. Iliff and Hutton were Wyoming's first 'Kings' and were often used as

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example of "Wyoming Success" in company prospectus.

By 1870 the assessment roles of Wyoming Territory listed 81143 head of range cattle. Within seven years it was estimated that 100,000 head had come in from Oregon, particularly into the Little Laramie Valley.⁹ The British backed J. H. Douglas-Willan Company were heavy buyers. Henry and Will Swan, early owners of the Ell-Seven Company in the Saratoga area brought Oregon cattle on to their land at the end of the decade. The Searight brothers of Cheyenne brought 14,000 Oregon cattle onto their Goose Egg Rancho in Laramie County in 1879.¹⁰

It was not long before the British were noticing the thousands of head of cattle feeding on what was once accepted as the desert. Reports of ever-present grass gained authority. Already heavily involved in rails, mines and mortgages the Scots had decided on live stock, dealing primarily in Texas and the Southwest. Between 1879 and 1900 British interests were to promote 37 major cattle companies in the Trans-Mississippi West with a capital structure of more than £9,000,000, and to be indirectly involved in a dozen more. Generally speaking Scotland was to contribute a larger proportional share than the English and her interest was more organised.¹¹

Despite suggestions which assume a universal knowledge of western America, Wyoming was generally unknown to the British, especially the Scottish, prior to the time of early investment. The popular press was not covering the American West in the degree that has been assumed. A brief statement of investigation into the material is sufficient to

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indicate a trend. Obviously there was a great amount of literature concerning American affairs in those years of the "era of good feelings". Interest, however, was limited geographically to the Atlantic coast and intellectually to character studies and moral judgments on a variety of American subjects.

From 1814 to 1868 a score or more British travelers visited America and brought back accounts which, while "written for my eyes only", found their way into print. From 1800 to 1827 the London Catalogue of Books Published in London listed only 7 such works on the American West and only 9 in 1838. A survey of the English Catalogue and the London Catalogue from 1814 to 1869 indicates somewhat over a hundred such travels accounted for and available. Another 170 or so claim to be concerned with America. This includes both popular works and the publications of Learned Societies, Printing Clubs and Literary Associations. An additional 350 were listed by 1870. Of these less than 10 even hinted at the Midlands, and these were biological, topographical, zoological or phrenological references. While there undoubtedly must have been some other works appearing on the scene, a search of major Scottish libraries has uncovered very little.

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In the early period these works covered a great range of subjects and areas and are of varied value. The common denominator is their lack of information or interest in the West. Edwin James, the botanist who wrote the account of the Long Expedition of 1819-20, reported:

"in regards to this extensive section of the country, I do not hesitate in giving the opinion, that it is almost wholly unfit for cultivation, and of course uninhabitable . . . "

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Captain Basil Hall's three volume Travels

to North America in the Years 1827-1829 published in Edinburgh in 1829 accounts only as far as the Missouri. Some of the more often quoted sources provide no more than this and the assumption of their early worth is not based on first hand experience with the sources.

I will consider a few examples. George Combe's Notes on the United States of North America was a phrenological account dealing with "natural national skulls", John Hunter's story, Memories of Captivity, discusses Missouri and Arkansas; Timothy Flint's The History and Geography of the Mississippi Valley was good but hardly of interest to the Midlands. C. F. Hoffman's A Winter in the Far West is basically a discussion of Pittsburg even though he does mention a brief visit to the Prairie de Chein. J. S. Buckingham's three volume America, Viscount Bury's Exodus of the Western Nations did not get far west enough, nor did Alex Macay's The Western World. William Chambers, the well known Scottish publisher, discussed Things as They Are in America but had gone no further west than Michigan nor south than Richmond; and Mrs. Houston's (Houston's) famous Hesperos: or Travels in the West dealt with Texas and the Gulf of Mexico but not with either the Midwest or the Midlands.

A lot of the material produced was designed to be cultural. Notions of the Americans Picked Up By A Traveling Bachelor and Sarah Hoding's Log Book were chatty nonsense passing as social commentary on the east, but were often considered as books on the American scene.

Alan Nevins says that the travel monographs of the 1830's and 40's had the tendency to more objective accounting. It was true, however, as Alexander Mackay had said, that it was time "to have a correct account of

a great country, and a faithful portraiture of a great people".²⁷

Blackwood's in May of 1851 said transatlantic tourist "books of travel . . . bid fair to become plentiful as snags in the Mississippi or buffalo on the Prairies of the West. Emigration, California gold, and the perfection of steam navigation have brought America to our door."²⁸

In the period from 1865 to the turn of the Century a different type of travel work appeared and some of these were far more informative. Some three hundred of these works were checked in order to get an idea of the trend. In general their titles suggested that they dealt with the West (Midlands included) though few actually did so. Many did not go any further west than Independence, Missouri. A good many of those that did were far more interested in describing the comforts of the transportation system than they were the economic situation, or the implications of this land upon their own countries. While many could be mentioned that were of help I would suggest but a few that must have had some influence on the knowledge of the Midlands.

Arthur Pendarves Vivian traveled in the Rockies on a hunting expedition and wrote Wanderings in the Western Land which turned out to be highly descriptive of Colorado and Wyoming. James Selwin Tait a member of the Edinburgh Ranch and Cattle brokerage firm -- Tait, Denman and Company -- published his The Cattle-fields of the Far West in 1884.²⁹

William Shepherd's 1885 account Prairie Experiences in Handling Cattle and Sheep³⁰, James Madconald's work Food From the Far West³¹ were very informative and important works about conditions in the Midlands. But they, like the works of William Adolph Baillie-Grohman appeared toward the middle

or end of the investment in the Midlands and while they must have served to inspire and inform continued investors they cannot, as a class, add much to the investment knowledge of the average stockholder in the early 1880's.³²

While it is not expected that these early works would carry much information there is a tendency to grant them more value as sources than they rightly deserve. While certainly no proof of their reading public an interesting set of conclusions could be drawn from the fact that while checking these early volumes in the University libraries of St. Andrews, Edinburgh, the National Library of Scotland and the British Museum, I had to cut the pages on 41 of 106 separate volumes, some of which had been on the shelf for 125 years.

Periodical literature during the years 1840-1890 was far more important than such popular magazines would be considered today. W. F. Poole wrote in 1882: "the best writers and great statesmen of the world, where they formally wrote a book or pamphlet, now contributed an article to a leading review or magazine, and it was read before the month is ended in every country in Europe."³³ Yet, periodical literature during the period of discovery of the Midlands and of Wyoming is equally bare. In a careful survey of thirteen major journals and an index survey of a dozen more I found a startling lack of material. The Contemporary Review (1866-1900) published about 60 articles on America, only 3 of which had any western coverage.³⁴ Two discussed investments and the land laws and might have been of some help, but they said nothing of the area. The

only article related dealt with the "Land Question in the United States" and warned that Nevada was worthless, Colorado was crowded and "the Territory of Wyoming embracing the slopes of the Rocky Mountains, is certainly not richer in available lands".³⁵ The Quarterly Review (1840-1900) contained 33 articles or reviews with American themes, two on railway investments, one on the "Women's Paradise" in the Far West.

The Home and Foreign Review (1862-1864) mentioned nothing in its two short years given to international topics. The Edinburgh Review (1840-1900) published 48 articles dealing with America. One discussed the 'desert' (1843), two travel articles dealt briefly with conditions as far west as Iowa, a review of Catlin's second volume on the North American Indians, and an 1841 prediction that the plains of the Mississippi would be great sheep country. Just before the turn of the Century they had a review of American novels and mentioned the works of Bret Harte. In 1850 a series of articles on emigrating Scots indicated that they soon would have to start migrating into western America by necessity.³⁶

Less than thirty articles on America appeared in the Cornhill Magazine (1860-1900) but they included three exceptions to the general lack of material. "The Cowboy at Home" dealt with Texas but at least was informative and warns the Englishman of romanticism. The second dealt with the Granger movement and could, if listened to, have saved later grief. A third "Some Remarks on Traveling in America" made kind remarks about America but said little of the West other than its trains were good.³⁷ Blackwoods Magazine (1840-1900) was perhaps the most informative. During the period 111 articles on the United States appeared. These listed several histories of the Texas Republic, two travel accounts which actually

mention the Midland region, a very interesting and much quoted article on "Scottish Capital Abroad". This last one, a classic in investment history, really had little to say of the Midlands.³⁸

The Fortnightly Review (1865-1900) had 93 American orientated articles. Two actually mentioned Wyoming. One in 1869 dealt with the railroads and one in 1890 was on the "Working of Women Suffrage in Wyoming". In 1880 William A. Baillie-Grohman published an article on "Cattle Ranches in the Far West". It was a little overdone but it is one of the very few works dealing in any depth with the Midlands. Based on a visit of several months to places like Wyoming, Colorado, and Montana the author offered some descriptions and warnings. He saw American born cattle as dangerous to the agricultural interests of Great Britain. He indicated that it would be difficult to compete with cattle raised on free land at about 4 or 5 shillings a head. He estimated a £8,800 profit within three years on a £10,000 investment based on a 75% calf crop annually, "the generally accepted percentage in Wyoming and Montana".

An 1869 article on "The Pacific Railroads" dealt with government lands, bonds, and railway grants but listed the town of Cheyenne as a mining centre. They described the area: "The sterility of these regions is not an unmitigated evil to the railroads for since nothing is there the railroad has to bring it all in".³⁹ In 1887 John Baumann's "On a Western Ranche" gives most of its attention to Texas. An 1891 article by Moreton Frewen, "Transatlantic Cattle Trade", was in support of an international cattle market, not a discussion of the Midlands. All of these were well past the period of early investment.⁴⁰

Macmillian's Magazine (1859-1900) offered 65 articles. One "Ranche Life in the Far West" came close. It warned Englishmen planning to go West that you "have all the women's work as well as your own, it is lonely, the food is poor and six-guns are for real". ⁴¹ The North British Review (1844-1871) with a large Scottish circulation offered very little as did the Foreign Quarterly (1841-1846). The Century Magazine was, of course, American but still in 40 years of English circulation it printed little. The exception being the late 1880's paintings by Frederic Remington and the 1896 articles based on the badlands, as well as the 1888 series by Theodore Roosevelt. These were informative in a general way but were all after the investment period had begun.

The North American Review (1860-1900) also an American orientated publication, had only one or two possible helps, all of which were concerned with land. One article in 1875 mentioned Wyoming's fine grass. All the Year Round in 1868-69 ran a few short character studies of cowboys, newspapermen and preachers, primarily in Montana. The National Review (1855-1883) got no closer than "Cattle Ranches of Canada" and Longman's Magazine (1882-1900) did little better. It ran a series of articles signed J.R.F.S., "Why the English Ranchman is a Failure", "The English Ranchman", and "The American Ranchman" all of which were interesting but said little of Wyoming and were, anyway, all printed late in the 1890's. ⁴² The Review of Reviews (1893-1900) issued on Fleet Street mentions only Yellowstone Park and Wyoming, Pennsylvania.

Coverage in America was not much better. For 1860 to 1882 when the first company was organised, W. Poole's Index to Periodical Literature listed only six articles on Wyoming, four of which were geological.

English and Scottish newspapers had given faithful attention to the development of Scottish activities in America. However, we must not be confused into thinking that the detailed coverage in the financial papers and City pages was the same as wide popular coverage. Pre-investment coverage of the American West was expectantly small. Newspapers by their very nature are designed to report happenings not to predict or describe the generally uninteresting. This survey indicates that the Trans-Mississippi West was covered only on rare occasions and almost always as political or military copy. In the area of investment the coverage was excellent, almost suffocating at times, but it was concerned with the behavior of stocks; only rarely with any of the factors which were behind the West as an area of investment. ⁴³

A survey of all newspapers of the period was impossible. But a breakdown of some of the leading papers, particularly with a view to Scottish circulation, can give an idea of the coverage and perhaps some indication of influence. The Edinburgh Courant was an excellent spokesman for the cattle companies and provided financial coverage, but no pre-investment accounts of the western area which could be seen as providing general information of help to investors. The Scotsman also gave good financial coverage and had, in 1877, sent its own representative to review the scene. This was one of the better sources of information for the investor but the total coverage was small. ⁴⁴ The London Field also sent a representative but published very little concerning the area in question. Both the Dundee Advertiser and the Dundee Weekly News represented Dundee's active interest in cattle but only on a reporting basis

after the initial investment had been made. The Dundee Courier in the main ignored American activities except her military ones; the Fifeshire Journal was late on the scene but was a good source of investment information.

The Economist and the Scottish Bankers and Insurance Magazine, the latter which operated under several titles, were of particular interest in financial coverage but gave little early reporting of the Trans-Mississippi West. The same is true for the Statist a weekly journal for businessmen. It is only to be expected that these papers would not offer much advanced information. Once the investments had begun, however, these journals offered not only coverage but also advice and comment.⁴⁵

A quick survey of cheap fiction shows that between 1830 and 1855⁴⁶ 107 publishers of penny fiction are listed. Yet out of the 275 titles⁴⁷ offered by 1853 less than 28 dealt with North America. By 1898 George Rutledge had 1300 titles in his Railway Library alone as well as hundreds of yellow backs, yet even then less than 30 could be said to deal with western America. Newnes' Penny Library listed three out of 177 titles, and Thomas Reid's offerings listed only 2 out of 100 concerning⁴⁸ the West. Reid and Kingston's popular series with such likely names as The Scalp Hunters and The Range Rifles were located in the Mississippi Valley. George A. Henty's often quoted works are stories of Canada and⁴⁹ Argentina, not western America.

The suggestion that a large amount of cheap fiction existed in

Scotland which pictured the Midlands and the cattle industry is exaggerated. A second assumption that the middle class investor knew of the American West through popular fiction is even more shakey. The investor who was reading periodical and railway fiction was not receiving the dose of American West that has been assumed. Those who may have been reading such material in the penny papers, if it was presented there, were not those who were doing the majority of the investing. He who both read of America and invested in it was more likely the impressionable, but generally wise, investor. His views, distorted as they may have been, were distorted by the financial predictions and pastoral prophecy of company prospects after about 1875, not by fiction.

It does seem true that information concerning the West was coming in, probably equally as fictional, from letters of friends. But how much this influenced the investor is lost in the haze of just who was investing. It seems reasonable to assume that investors, particularly small ones, were more inclined to risk funds where they "knew" someone. But evidence by Marwick and Cairncross indicates that the bulk of the investments were not by small investors but by large ones. These large investors did not have to wait for literature introduction to the Midlands for a good many of them had themselves traveled the area, first just as travelers but later to return -- or send agents -- for the purpose of keeping an eye out for economic opportunity. James W. Barclay who went to Denver in search of adequate investments in the Denver and Rio Grande Railway returned afterwards and reported his findings to the investment circle as well as to the public.⁵⁰ Wyndham Thomas Wyndham-Quin, the 4th Earl of Dunraven and investor in the Wyoming cattle industry, toured the West for economic

information as well as for sight-seeing; Moreton Frewen, Sir John Leng are examples of this trend. For these large investors emigrant letters, and for that matter any serialised fiction, must have had very little impact.⁵¹

The men in Scottish investment circles invested on their knowledge gained from years in the mortgage business and on-the-spot investor inspection. The small investor invested primarily in the company, and had very little influence on where the money was placed. The degree to which either investor was affected by "western stories" cannot be known but except in very special cases the affect must be considered small.

As a location for investment Wyoming was mentioned in James Macdonald's letters to the Scotsman in 1877. It was further discussed in W. Baillie-Grohman's article in Field of January 1880 and the Fortnightly Review later in the same year. Baillie-Grohman's description matched his exuberance. Sheep were 'quick money', he reported, but so are cattle if business is "conducted on the only really money making principle, namely that of free pasture". Such free land was available for the taking, he assured the reader. Pick out a good Wyoming range, drive 10,000 head on it, fence in 500 acres for hay and take over "as virtual owners of the soil, without over-stepping any Territorial statutes". There is no need to worry about a survey because who would ever want it --it is not agricultural land. Wyoming is friendly, he continued, due to the "absence of whiskey . . . minding one's own business . . . and a total absence of women on frontier cattle ranches".⁵²

Letters written in response to his article indicated that he had created considerable interest. In March of the same year he published another article which provided an amazing set of figures concerning

profits in cattle.⁵³ Baron Von Richthofen in his Cattle Raising on the Plains of North America also reported Wyoming as an excellent range.

Texas steers weighing 900 to 950 pounds weigh 1200 to 1300 in Wyoming, he said, but he also warned investors about the harsh winters in the

Midlands.⁵⁴ General James S. Brisbin's 1881 publication The Beef Bonanza: or, How to Get Rich on the Plains was considered almost a textbook of high profits, cheap land, and trouble free conditions.⁵⁵

Brisbin based this on an earlier work: Hiram Latham's Trans-Missouri Stock Raising. Latham concentrated on the advantages of the Laramie Valley and the Chugwater region. It is perhaps coincidence, but an interesting one, that Latham recommends Chugwater, Lodge Pole Creek and Horse Creek, the later locations of the three major Swan Cattle Company ranches.⁵⁶

James S. Tait published his The Cattle-fields of the Far West in 1884. Tait was a senior partner in Tait, Denman and Company, Cattle Rancho and Land Brokers located in Edinburgh and New York. He painted a picture of the Midlands and particularly of Wyoming, as the ideal "property of the most enlightened stockgrowers of the country". Profits were beyond parallel, "the best lands are fresh" . . . 33 1/3 % profit on cattle and another 33 1/3 % on land value increases . . . ultimate value of stock will be \$60.00 to \$70.00 a head, three times its present value . . . cattle disease unknown in Wyoming . . . fear of over production disappears in the fact that America is consuming faster than the natural herd

increase.⁵⁷"

The contemporary financial press was critical of such reports and urged its readers to accept such promises with caution. W. R. Lawson of the Edinburgh Courier took particular interest in attacking "the ring leaders of the free grass ring" at both home and abroad.⁵⁸ He was contemptuous of "landed" directors who sold their names for corporation respectability, each who "had a little syndicate at his back". The Edinburgh Courier seemed fond of pointing out the limitations of the Prairie Cattle Company and suggesting to others that they could not do even as well.⁵⁹ The Pall Mall Budget also took a critical stand concerning the suspicious nature of American investments.⁶⁰

By 1875 much of the poor reputation of the Territory was wearing off. An 1871 New York Sun gave a great play to Surveyor General Reed's report to Congress in which he stated that alkalies had saved the West. Wyoming cabbages, it reported, were seen weighing 50 pounds; turnips 15. Dun and Bradstreet in anticipation conducted an intensive credit analysis of a variety of western areas, Wyoming included.⁶¹ Wyoming began to beat her own drum.⁶² The Cheyenne Leader carried on an extensive campaign publishing some 63 articles between 1868 and 1870 with 'wonderous cattle development' as her theme. A body of industrious citizens formed the Wyoming Territorial Board of Immigration and in 1874 issued a pamphlet in which they gave figures to show that \$5000 invested in the ranch cattle business would yield a net profit of over \$18,000 in five years.⁶³

In the Spring of 1877 The Scotsman of Edinburgh had sent James Macdonald to America to investigate the cattle phenomenon. He was a good choice for such an assignment; the choice itself being indicative of the Scottish attitude, for Macdonald was an expert on animal husbandry. After extensive travels in cattle country he concluded that there was no immediate danger to British breeders. He did see, however, that within a few years improved breeding and large organised management could bring increasing danger to the stock beef trade of Scotland. In his Food From the Far West, published in 1878, Macdonald indicated that Scotland's answer to American beef must be quality. As to the Midlands he reported the "Territories are neither so rich in pasture or well watered as Texas" but his travels had only briefly touched the Wyoming grass lands. ⁶⁴ A year earlier Robert Strahorn had published Hand-Book of Wyoming and Guide to the Black Hills and Big Horn Regions, in which ⁶⁵ he estimated a steady cattle profit of 25% per annum.

The feeling of concern over beef competition was widespread. A Royal Commission on Agriculture was finally appointed to investigate and report. The fears were not unfounded. In 1875 nearly 300 head of live cattle had been shipped from eastern markets and some 3100 cwts of fresh meat was shipped in the newly improved refrigerated ships. The following year 380 live and 144,336 cwts dead had been imported. In 1879 a whole fleet of ships transported 75,931 head and 559,730 cwts dead at ⁶⁶ a value of nearly £1,300,000.

The Royal Commission selected John Clay, Senior, as one of its members and his son, John Clay, Junior, as a sub-commissioner. The younger Clay was to have considerable influence in American cattle for some years,

and was directly connected with the investments in the West. He was born at Winfield in Berwickshire on April 24th, 1851. His father was a prominent farmer and businessman who, in 1869, occupied the President's chair of the Scottish Chamber of Agriculture.⁶⁷ Young Clay was educated at St. Andrews and the University of Edinburgh. In 1874 he made a tour of the New World which had carried him into the great farm and grazing regions of the West. He reached both Denver and Cheyenne and was impressed with what he saw. While in Canada he met George Brown, a Scottish immigrant and publisher, who had established a breeding farm near Ontario. It was Brown's ranching efforts that were to lead Clay into his great interest in the live stock business.

When the British concern over cattle competition led the Agricultural Commission to assign Clare Read and Albert Pell to tour America they asked young Clay to go with them. He was then preparing to return to North America as the manager of a company that had been established to take over Brown's Bow Park Farm. He postponed his assignment to accept the appointment as commissioner and to travel with the Commission for nearly three months.⁶⁸

Clay resigned as Manager of the Bow Park Farm in 1882 when he became associated with the Scottish American Investment Company, Ltd. and the Nelson group, serving them in a variety of capacities for several years. He became an associate of the leading financial men of Edinburgh, Dundee, London, Chicago and New York. In 1886 he started his own Commission House to handle the large amount of business that he was drawing in the area of farm and ranch management. He often used his connections

to secure profitable investments for his Scottish backers, as well as funds for his Wyoming friends. The firm Clay, Robinson and Company had offices in every major live stock market in the West.⁶⁹

The financially minded Scot seems to have been more intrigued than frightened by America's role. In the first place scores of new British-American live stock and fresh meat importing companies had emerged in London, Edinburgh, Glasgow, Aberdeen and Dundee. A new British design improved the American refrigerator unit and ships were designed for this service. Mixing business with pleasure a number of financial leaders decided on trips to the West to hunt and look around. One of the things which emerged from these trips was a myth of productivity. When contrasted with the problems of high overhead and limited space that plagued the British herder, the West probably appeared as a utopia. Even James Macdonald's calming words could not suppress rumours of 35% and 40% annual return on the cattle ranches in Wyoming. Participation was an obvious response.⁷⁰

All the facts seemed to be working at once. The vast region of the Midlands came into investigation just at the time when British capital was seeking a place of investment. Neither the French or Germans, both possibilities, were free enough from internal problems nor flused with capital. Not only was eastern American money being invested but dividends were being paid. In the coffee houses of Edinburgh and Dundee the word was out. Men of financial ability with capital support discussed longhorns and sage grass with familiar ease. Before long money was moving. In Cheyenne, New York, Edinburgh the word was that a man could buy a calf in the morning, sell it in the afternoon, and would have made enough to pay for his dinner.⁷¹

The Scot was going to find out.

Chapter Four: Notes

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4. Cheyenne Daily Leader 22 October 1867.
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25. London: 1828.
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27. Nevins, Allen American Social History as Recorded by British Travelers. New York: Henry Holt and Company, 1933, 283.
28. Vol. 69, 545.
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33. Introduction, Poole's Index to Periodical Literature.

34. The dates indicate the period checked. Where less than the period of our study they indicate complete publishing time. The vague nature of some of the figures results from the fact that many articles mentioned America as a part of a general discussion and it is arbitrary as to whether they should be counted.
35. Contemporary Review, 9 (1868) 347.
36. Edinburgh Review, 100 (1843) 236.
37. Cornhill Magazine, 19 (1869) 321-409.
38. "Scottish Capital Abroad", 469.
39. Bell, William "The Pacific Railroad", Fortnightly Review, Vol. 15, 1869, 567.
40. Baumann, John "On a Western Rancho", The Fortnightly Review, XLI (1887) 516-533. Baillie-Grohman, W. "Cattle Ranches in the Far West", The Fortnightly Review, XXVIII (1880) 438. Frewen, Moreton "The Transatlantic Cattle Trade", The Fortnightly Review, IL (1891) 713.
41. Macmillian's Magazine, 48 (1883) 293.
42. Longman's Magazine, 26 (1895) 59. Ibid., 28 (1896) 485. Ibid., 30 (1897) 444-460.
43. See Statist, The Economist for this period. The Edinburgh Courant was more informative, but again, only after the fact.
44. James Macdonald was sent by The Scotsman and Edwin A. Curley was commissioned by Field of London.
45. The Edinburgh Courant, the Economist, the Statist and the Scottish Banking Magazine were very good in offering investment advice.
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67. Clay, John John Clay: Scottish Farmer. Private Printing, 110.
68. Clay, John My Life on the Range. Norman: University of Oklahoma Reprints, 1962. (Private Printing, 1924. New York Antiquarian Press, 1961). Reed, Clare and Pell, Albert "Further Reports of Assistant Commissioner", 1880, Royal Commission on Agriculture, 1879-1882. Ministry of Agriculture and Fisheries, Vol. 71, 1882.
69. "Story of a Successful Bank", Cheyenne, Wyoming, 1904, WAH. Materials on Clay are from his own work, Clay, My Life on the Range.
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Chapter Five: Other Wests

Despite a somewhat limited book knowledge prior to 1880 there was a considerable amount of first hand knowledge. Paradoxically this "pastoral knowledge" was significant in aiding investments in the Midlands but also in retarding progress once investment had been made. Newspapers of the period indicated concern that ignorance of the American West would hamper wise investment in that area. Yet Scottish investors, particularly in Edinburgh and Dundee, were not as unfamiliar¹ as it might at first appear. Mortgage and land investment required an on-the-spot intelligence unlike that required for industry or for the stock market. The Scots had long been involved in such investments.

On-the-spot information had been a matter of course for these investors concerned with the great pastoral lands of Australia, New Zealand, Canada and South America. In addition they were developing considerable experience in Texas and in the Midwest. They also were a part of live stock investments: Sheep in Australia and New Zealand and cattle in Canada, South America and Texas. Farm lands, crop behavior, live stock problems as well as the workings of markets and exchanges were to provide in depth background for their Midland activities. Certainly established Dundee and Edinburgh joint-stock companies were the best investment intelligence available.² The similarity between the pastoral regions of Australia and the sheep lands of New Zealand with the Midlands and Wyoming was bound to have had influence on both directors and would-be investors. Here they saw companies investing in an area where they would not be entering blind.

The fact that historians have been lax in the comparative studies of "other wests than ours" does not mean that the relationship is not an important one. Pastoral traditions were to directly, or indirectly, affect the Scottish interests in the American West. Westward expansion was not viewed as a divine mandate but as an economic potential and the ability to read that potential was significant. An in depth study of this comparative experience is not possible here, but something of the relation should be suggested. First by a general reference to the comparative structure of these areas and secondly, to mention something of the Scottish activity in the Midwest. This information was to add to the fact that the "Scots in particular were possessed with that romantic, speculative adventurousness, crossed with the mentality of a chartered accountant."

Scotland had early and special connections with Australia. The Scottish Australian Investment Company was established in 1840 and adopted limited company shares in 1856. This investment included heavy involvement in pastoral holdings as well as in mines. The Scottish New Zealand Investment Company, Ltd. was organised in 1877 with half-a-million pounds to develop the South land. When it fell the City of Glasgow Bank owned 40,000 acres of New Zealand pasture land.

These companies, as well as those involved in Canada, operated under strikingly similar conditions. The more obvious similarities included their arid nature, their close chronological development, their British background and the British attachments of their settlers as well as their open nature as underdeveloped countries. Other similarities are less obvious but important. Among these was the necessity of the adjustment

of invention to environment as suggested by Walter Prescott Webb. Also there was a rapid expansion of pastoral over farming activities resulting from the environmental conditions of wind and dry country, but also because of the nature of capital investment. Of prime importance to them all was the relation of quantity-quality accessibility of land. There is little doubt that America, Canada, New Zealand and Australia were blessed with great quantities of new land and that a good portion of this land was of quality. The problem of accessibility of land was one that was to give America and Australia advantages in moving ahead. Another similarity was the break in development following mineral discoveries, primarily gold in Australia in 1851, America in 1849 and Canada in 1885.⁶

For the investor the similarity might well have come from the area's mutual position in regards to the balance of natural resources on the one hand and the limitations of capital and labour on the other. Europe at this time found itself with labour and capital in good measure but with a shortage of land and natural resources. The Wests were open competitors willing to trade their natural resources of land in return for the factor of capital and labour which the old world could provide. Land and its use, its accessibility, and its potential exploitation were determining factors not only in the accumulation of labour but in the investment of capital.⁷ The Scottish understanding of this and their local involvement on the land itself, made them powerful users of the "public land" that was the frontier.

There were some basic differences as well and these were important in their own right. In Australia, for example, the desert heartland had the effect of limiting such expansion to the costal areas. This concentration resulted in expanded urban areas and their industrial development.

Capital quickly moved into the area more in keeping with this development. During these early years, however, the activities of the
⁸
 Scottish investor and shepherd were invaluable.

In Canada the federal system and the accompanying legal pattern preceded settlement. This was not true of either Australia, New Zealand, or America. The difficulty of travel into the interior, the fact that the Canadian Indian was protected as no American Indian was, and the late discovery of gold and copper deposits meant that the Canadian immigrant tended to stay South of the border, or to remain in the East a little longer. It is important here to remember, however, that some early investments by the Scots resulted in ranches in the eastern regions. It was, after all, the Canadian Bow Park Rancho that
⁹
 was to lure John Clay into the cattle business.

America developed along a progressively expanding frontier. This
¹⁰
 was not true in Australia, Canada and New Zealand. Because of this the nature of the investment was different. In America the investment picture moved with the frontier and adjusted, usually, to its changing characteristics. The tendency in the "other wests" however, was for expansion to be held by political and geographical boundaries until it came as a bursting balloon. As a result many of the pioneers moved west as "Easterners, innocent of the influences of a continuous frontier
¹¹
 environment". As such they carried the East with them to be laid upon the Western environment in ways different from that of their southern neighbours.

While recognising the similarities and differences of that time it is

wise to remember the basic distinction between those areas and the moves to aid underdeveloped countries today. America at this time was blessed with the unique combination of abundant land, political and economic latitude, and a scarcity of labour and capital that was offset by the prevalence of these factors in the British Empire.¹²

The Scottish investor had also been investing in the Midwestern farming regions of the United States during the early decades of its development.¹³ About 1879 the Scottish-American Mortgage Company, Ltd. moved its area of investments westward into Iowa and Minnesota where they could continue to receive 8% interest.¹⁴ By the end of 1880 they were expanding to provide loans to Missouri, Nebraska and along the southern strip of the Dakotas.¹⁵ By then most of the Scottish-American Mortgage Company, Ltd.'s £700,000 was in land loans, a good portion in the Midwest. Messrs. Underwood and Clark, as agents for the Company, were making loans in Missouri, Iowa, and in Kansas. Most of these were small, averaging from a low of \$62.10 to a high of \$125, most placed at from 7 to 8%. Several thousand, primarily in Indiana, Minnesota, Iowa, and Kansas were placed in the early period of the decade.¹⁶ These were not all land purchase loans, however, because the farming frontier presented a variety of needs. Many loans were made for irrigation projects, to purchase live stock and farm work animals, or for equipment as farms grew. It was at the close of 1880 that it was suggested that more money could be made in the cattle business further west. Some credit for this suggestion is given to various American agents, like Frank L. Underwood

and Francis Smith, but there is much to suggest that the "cattle mania" was being pushed from the Scottish side with equal vigor.¹⁷

Scottish investors, eager to take part, were looking for investment opportunities as well as looking over those opportunities offered them. This was partly true because of the "dearth of domestic outlets at the time",¹⁸ partially because with their background in pastoral investments the Scots felt they could compete with the best of them in the development of the western industry; and partially because the opportunity for greater interest on their investment funds without pushing the risk factor too far was an experience the true Scotsman had trouble resisting.

There is little doubt that this decision was a momentous one. The availability of eastern money and the increased prosperity of the local farming communities cut the interest rate. The mortgage business in the Midwest was to decline in the late 1880's. By then real estate was plentiful, farming conditions were poor, and many local agents were going out of business. This was a period of increasing rural discontent. In Iowa, Missouri, Nebraska and Kansas hundreds of farms were being deserted, mortgages unpaid, the owners either moving on or selling out to large operations which had their own capital.¹⁹

One reason given for the decline was competition between mortgage companies. There was certainly some major competition among domestic companies. Such competition often resulted in a loss of interest and the acceptance of some very poor loans. However, this was not so true in the area of Scottish concern. The evidence is apparent both in internal correspondence and from the fact that they often used the same agents. But also such competition is questionable because of the close interlocking of the directorates of many of these companies. It does

seem that the Scots were not quilty of expanding their difficulties by this sort of competition. In many cases they worked closely together; and when they did not, it needs to be pointed out that they rarely stood in each other's way.

Another example of the involvement in the Midwest can be seen in the early pre-cattle investment of the Dundee Land Investment Company, Ltd. which organised to deal in land loans and speculation. They were interested in developing uncultivated farming lands for resale to Scottish immigrants. The first suggestions were for northern areas but finally investments were made in large areas of Iowa, Missouri, Wisconsin and Montana. Iowa investments were of primary importance, the total being nearly 100,000 acres at an average of 12s.9 an acre. They also purchased lands in Wisconsin and Minnesota which were worked into settlement communities. In addition their interest included mining, some limited railway expansion in Oregon, and real estate in Kansas City.

In 1881 there was an increase in land mortgages and a decrease in the more speculative investments. Robert Fleming, who had joined the board, introduced a policy which tended toward a more conservative investment. Real Estate was sold in most locations and speculative community lands were released as buyers became available. By 1885 the bulk of its money was in land mortgages and by 1888 it was basically a mortgage company.

In 1880 Scottish-American Investment Company, Ltd. promoters organised a Company to purchase land, improve it and sell. They were somewhat late coming into the field in the Midwest for the area was beginning to ease as an investment area. However, they placed land

loans and purchased acres during the first three years. In early 1884 they began a program of liquidation of Midwestern lands with the agreement to sell the Company's real estate in Iowa to a fellow Scot, Alexander²⁴ Peddie, for £54,000.

The Edinburgh Courant recognised the pattern by which these companies moved in, reaped high interest rates while capital was scarce, and then moved on when new areas open up. This was generally the practice of the American Mortgage Company of Scotland, Ltd. which made loans in Missouri, Iowa and Nebraska following its 1878 organisation. The same was true of the Edinburgh-American Land Mortgage Company, Ltd. Their board authorised major land loans in Iowa, Kansas, Nebraska, and Minnesota. These were generally available at less than the desired 8%.²⁵ The United States Investment Corporation, Ltd. entered the field late in the period. They selected agents in the Midwest who were assigned to locate and place loans in Minnesota and Iowa as well as in the more popular areas of the Pacific Northwest and the South.²⁶ The Oregon Mortgage Company, Ltd. also placed loans in Montana and Idaho, about £150,000 worth, very late in the Century.²⁷

The Missouri Land and Livestock Company, Ltd. followed the same pattern of agricultural purchase, improvement and sale when it organised in 1882. Primarily a Scottish directed company they profited from the mass migration of people into Missouri from the Ohio Valley.²⁸ They were able to gather a considerable profit on lands purchased at 6s.6 an acre from the St. Louis and San Francisco Railroad.²⁹ This was not the case for the Missouri Land Company of Scotland, Ltd., established in 1880 which had very little luck during the initial years of operation.

One of the more important local firms that used Scottish money and supported pastoral knowledge was that empire built by the Close Brothers. These three English brothers had distinguished themselves as the only family of three to make the Cambridge University varsity crew. ³⁰ The brothers, James, John, William and eventually a fourth brother Fred, became interested in farming lands in Iowa in 1880. In March of that year they established the Iowa Land Company, Ltd. with the purchase of 500,000 acres. Raising their money in London, Edinburgh, Dundee and Aberdeen they developed a series of operations in Iowa, Kansas, Missouri and Nebraska. An indication of the nature of the investors can be found in a list of those participating in the Iowa venture. The list is among the papers of the Close Brothers Collection now in the archives of the Secretary of State for Iowa. Conspicuous on the list are Sir Edward Reid, Albert Pell M. P. Leicestershire, England, Lord Dunraven and F. Horsburgh of Edinburgh as well as corporations which included the Missouri Land Company, Ltd. of Edinburgh, the Scotch Land Company, Ltd. of Dundee. ³¹

In 1882 the Close brothers operated one of the largest foreign companies doing business in the United States: The Iowa Land Company. ³² In that year its capital was listed at £1,145,833 and shares were selling at a 25% premium in London and in Edinburgh through their agent F. Horsburgh of Edinburgh. ³³

They continued to use funds from Great Britain to expand into Kansas and Nebraska. They incorporated the Kansas Land Company, Ltd. in 1882 which held paper on 100,000 acres in Kansas and another 100,000 in Texas. ³⁴ They developed a farm loan business located in Chicago and managed to borrow money out of London and Edinburgh at from 4 to 5% and then to loan

it in Iowa and Nebraska and Montana at from 6 to 7³⁵/₂%. In addition they involved themselves in land community speculation in Iowa, irrigation projects in Colorado, railway bonds and community speculation in Alaska.

Something of the British involvement in the Midwest can be seen from the 1884 reporting of Iowa lands owned by the British. The Congressional Record listed the Close brothers at 270,000 acres; Skyes and Hughes at 85,000; Finley Dun et al 25,000; C. M. Beach 10,000; William Johnson 7,000; Edward Paul 6,000; and "others with less than 5000 each" at 40,380 ³⁶acrea; 443,380 total acres.

Much of this land was designed to be disposed of by immigration and many attempts were made to encourage this. The Iowa Workingman's Emigrant Society, for an example, had branches in Edinburgh, Glasgow, Dundee, Aberdeen and Perth as well as a dozen English towns. ³⁷ Some indication of the immigrant growth is seen in the fact that in 1850, there were 712 Scots in Iowa; 1860 there were 5,248; in 1870 6,885 and in 1880 there were 7,993. After this the growth rate slowed considerably as the need for both capital and labour were to move further west. ³⁸

This early involvement had to provide considerable intelligence. But it would be to avoid the larger picture if we did not admit as well, that many of these companies felt more at home in the Midlands, and thus more secure, than they perhaps should have been. While certainly similar, there nevertheless is a difference between New Zealand sheep and Wyoming natives; between Scottish Angus and Wyoming Stubbys; between Texas born and Midlands fattened stock; and even between Midwestern farms

39

and Wyoming ranches. Lessons learned in previous investments and even in early developed and successfully operating Texas companies, had a way of affecting Midland decisions. There was often an abundance of faith in director's decisions and sometimes too much assurance in Edinburgh policies to make adequate adjustment to the peculiarities of the area. For men who entered with on-the-spot knowledge, and apparently great faith in it, there appeared to be an obvious unwillingness to adjust business methods to change with the peculiarities of the location. The pastoral background of the investor and directors was not always enough to make them adequate interpreters of the Midlands.

Chapter Five: Notes

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Chapter Six: Investment Trusts and Mortgage Companies

The topographical nature of the Midlands was such that agricultural loans and land speculation was not as promising as it had been for other areas. Nevertheless, the growth in Scotland of large investment and mortgage companies did have an affect on the Midlands. The companies did have limited investments in the Midlands and in Wyoming Territory but, more important, these companies were to provide the financial resources and the investment experience which would launch cattle companies, mining syndicates, sheep farms and other single venture activities.

The first British trust of significance was the Foreign and Colonial Investment Trust, Ltd. which was founded in 1867 the same year as Cheyenne. Between then and 1875 fifteen additional companies of stature were established as well as a large number of mortgage companies which were later to develop into trusts. The Limited Liabilities Act of 1855 provided for registration of a trust company when one-fourth of capital was subscribed and 15% paid up. In these cases the word 'limited' was to be added to the company's name. In 1856 a 'Joint Stock Companies Act' increased the opportunity to form limited liability public companies. More detailed and sophisticated acts were passed in 1862 and 1867. The 1862 Companies Act which required registered companies to hold regular meeting, report to stockholders and to publish their reports of audits, was applicable in Scotland as well as

in England. During these early years some 5000 limited liability companies filed their "Memorandum of Association" and developed Articles of Association. Of this figure about 20% failed to conduct any business whatsoever.¹

The laws had the effect of releasing capital. No longer being forced to assume unlimited risk a large number were willing to enter the investment field. These were commercial men with profits to invest and who sought a more profitable rate of return than was offered at home.² Not only were these opportunities for shareholders but also for depositors and debenture bond purchases even though later to cause unrest among financial advisors. W. R. Lawson, financial editor of the Edinburgh Courant, warned debenture holders to remember "that if they have not the risk of shareholders neither have they any of the rights."³

The development of the trust and mortgage business was primarily linked to the two communities of Edinburgh and Dundee. Edinburgh has generally been accepted as the financial capital of Scotland and there had been a concentration of banking, insurance companies and investment trusts.⁴ There are several reasons for this development; a major one being that the establishment of banks from 1650 on gave her a financial leadership that was almost impregnable by 1800.⁵ In the pre-union days Edinburgh was the centre of Scottish government and had developed strong international ties. She had no serious financial or political competition from Glasgow until after the development of banking in the 1830's. Even then two major bank failures -- The Western Bank in 1856 and the City of Glasgow Bank in 1879 -- were to limit investment faith in Glasgow.

Probably of more importance was the lack of free capital since her own expanding industrial development was to absorb considerable capital that was thus not available for other types of investment. Her entry into the investment trust business on any appreciable scale was not until after the turn of the Century.⁶

Edinburgh on the other hand was the home of professionals, the very centre of the legal, accounting and actuaries professions, and here capital found its release in areas where their professional contacts would be of the greatest advantage.⁷ This was extended as investment trusts and joint-stock companies allowed the less wealthy members of the professional class, and merchants, to be involved in a way in which limited income persons could never have participated in industrial expansion.⁸ Glasgow's entry into trusts was slowed without this.

Dundee's role in the early stages was no less remarkable. While not the financial centre Edinburgh was it played a very important role in the investment trust business. A role that can be traced to Robert Fleming and the background of Dundee investment potential that he represented. Fleming was a man of talent and imagination but more than that he was informed. He brought together men of capital who had seen America's potential while other men were still overly cautious.⁹ Mortgages given by the Confederacy, in exchange for Dundee jute to be used in making sandbags, had been an eye opener for some. Fleming had the chance to know American investments in his work with Edward Baxter's American holdings and he was impressed by the potential profits to be made in American investments. As well he knew the men with the capital to invest. Edinburgh had the money and the knowledge -- through

Fleming and others Dundee had developed the same -- but while money was available Glasgow lacked the familiarity and the knowledge and Aberdeen,¹⁰ informed and aware, was involved in other areas, primarily in Canada.

The emerging companies were sponsored by manufacturing and merchant rather than landed persons and they tended to involve the legal and accounting professions a great deal. The trusts, joint-stock companies, and mortgage companies were able to provide the investor with the means to accumulate an interest in overseas investments. They also made available investment leadership for commercial holders who did not themselves possess the knowledge to make sound investments. They also gave a wide diversification of securities in order to limit the speculative nature of the involvement, and ease the conservative heart of the investor. The promotional prospectus of most companies, particularly the larger ones, stated the percentage of their capital which could be invested in any single venture.

During this developing period the political power of the limited investor was being felt and there was more governmental involvement. This meant the select banking houses in London had less control over the foreign market. Another consequence of this development was the rise of the professional financial entrepreneur which grew in proportion to the "anonymous" investing public. This resulted as well in the separation between ownership and management, and in a disproportionate way, between "effort and reward".¹¹

Scotland played a role in the development of trusts that was to far outweigh that of England. Between 1873 and 1900 some 20 major

trusts developed in Dundee and Edinburgh and funds, as well as directors and board members, were drawn from these locations by many an English company. Growing out of the combination of available capital, an open mortgage market, and an economic depression in the United States, the Scottish-American Mortgage Company, Ltd. was formed in Edinburgh. Launched to cater to agricultural mortgages in the rich Illinois farm land it was to begin by pouring sterling into the reconstruction of Chicago after the great fire of 1873.

Under the direction of Edinburgh based James Duncan Smith, SSC, the Scottish-American Mortgage Company, Ltd. was registered under the Companies Act on 24 July 1874. Directors of the Company were to include several men of considerable promise including two Dundee men, William Lowson and Robert Mackenzie. From Edinburgh, Alexander Thompson a timber merchant, Thomas Gordon, Writer to the Signet and Charles W. Cowan, MP representing Edinburgh and a successful paper manufacturer. James Duncan Smith was to serve as Managing Director and John Guthrie Smith, Sheriff of Aberdeen and Kincardine, gave landed respectability¹² acting as Chairman of the Board.

The Company was set up to borrow on debentures to the amount of unpaid capital. The authorised capital was set at £1,000,000 to be raised, in a first issue, as 50,000 shares with £2 paid up. The idea was to borrow at $4\frac{1}{2}$ to 5% from Scottish investors and to loan it at 8 to $8\frac{1}{2}$ % to Illinois farmers eager to borrow. Many of these early¹³ debentures were sold in the Dundee area. Loans were made beginning in October of 1874 and numerous farm mortgages were placed in and around

Chicago. Soon their area of operation spread though the loans were made primarily on farm lands and tended to be quite conservative. In 1876 demand grew and capital was increased to £750,000 by the additional sale of stock. Six of the ten largest buyers were Dundee and Edinburgh shareholders who were simply enlarging their holdings. Most of the stockholders were drawn from the same reserve of merchants,
¹⁴
 lawyers, and brokers.

The extent of these loans was quickly affected by the general prosperity which blessed the area within a few short years. As the conditions of the Illinois farmer improved the interest rates were depressed and in order to draw high rates, loans were being made in a wider and wider area. By 1880 the Scottish-American Mortgage Company,
¹⁵
 Ltd. had nearly £700,000 in real estate paper.

It was in this year that the Edinburgh backers began to be interested in the cattle ranching industry. The conditions were ripe and while there was considerable reluctance in Edinburgh one man in particular, James Duncan Smith, was interested. He was a cautious investor but he was also familiar with the American West having traveled there on several occasions. With his help an association was formed among those involved in the Mortgage Company. They were interested in the purchase of the Prairie Cattle Company of Texas. Founded in 1880 this was to be the first of many joint-stock cattle ventures in Texas and the Midlands. This, like so much of the Scottish-American Mortgage Company, Ltd. was Dundee financed with 4200 shares of the
¹⁶
 stock in the hands of 32 Dundee residents. The Board of the Prairie Cattle Company, Ltd. included the Earl of Airlie as Chairman, as well as William Lowson, Thomas Gordon, James Duncan Smith, John Guthrie Smith,

Mitchell Thompson, Andrew Whitton and John Leng, all who will be
¹⁷
 involved in Midlands companies.

The directing of funds and manpower to the Prairie Company did not, of course, close the activities of the larger parent organisation. In 1880 a ¹⁸2½% bonus had been voted in addition to the 10% annual dividend. In the next three years the Company was using the services of fourteen agents in the Midwest and making land loans as far afield as the Dakotas, Texas, Wyoming and Illinois. ¹⁹In Wyoming fairly high interest rates had been responsible for drawing some capital. C. F. Coffee reported paying as high as 24% per year in 1874 but John Clay, with connections in both Edinburgh and Dundee, suggested that by 1880 ²⁰10% with interest compounded every three months was a good rate.

In the late 1870's and early 1880's the mortgage business began to slow down somewhat and to move westwardly. A major reason for this was a lessening of the gap between what they borrowed through debentures and the interest rate receivable on land mortgages in the agricultural west. The Scotsmen wanted the highest interest possible but the American, whose economic position was improving, was willing to pay less for the use of it. Add to this the competition developing with the eastern United States and the decline in loans becomes self-explanatory.

The Edinburgh Courant in January of 1885 reported the shares of the Scottish-American Mortgage Company, Ltd. had depreciated 10 shillings ²¹per share, a loss which cost the shareholders about £135,000. After 1887 many mortgage companies were being hurt by land laws which were driving away both profit and opportunity for investment lands. These

laws had the effect of restricting the activities of the investment and mortgage companies. In 1887 the Scottish-American Mortgage Company, Ltd. was forced to stop lending in Dakota and Wyoming Territory. ²²

William J. Menzies, the Edinburgh lawyer, was the instigator of the financial organisation which probably had the greatest influence on the Midlands in general and Wyoming in particular. Menzies was a member of a well educated family and was himself educated in Germany and Edinburgh. He made several trips to America and had become convinced that there was money to be made in the underdeveloped regions of the West. ²³ In mid-March of 1873 he called together a group of nine friends and associates to consider the possibility of organising a company to make investments in America. The group agreed and by July of that year Charles D. Menzies, as Company Secretary, made the first issue available.

The subscribers were financially strong men. The Scottish-American Investment Company, Ltd. was to have a board of directors composed of William Menzies as Managing Director, Thomas Nelson an Edinburgh printer of Messrs Thomas Nelson and Sons, John Cowan a member of the wealthy paper manufacturing family and an influential Liberal politician, ²⁴ Edward L. I. Blyth a civil engineer, Alexander Hamilton Writer to the Signet and a heavy investor in the Scottish-American Mortgage Company, Ltd., J. Dick Peddie an architect, and as Chairman, Sir George Warrender. Sir Warrender, Baronet of Lochend, Dunbar, was a shrewd keen man of business who, unlike many of the nobility, offered more than his name to the proceedings of the Company. ²⁵ A survey of the 433 shareholders indicates a very small proportion to be other than the merchant and

professional people that had become so closely associated with these companies. Only 19 were farmers and 6 were listed as gentlemen. Bankers, lawyers, accountants, military officers lead the shareholders; when shares doubled in 1875 most were purchased by original owners. Only 73 new shareholders were listed and they had the same general distribution.²⁶

Capitalised at £1,000,000 only half of the 100,000 shares were subscribed and only £2 called on these. The market was down in New York, particularly in railway securities, and these were considered to be good buys. In the early days railway securities were a major investment yet, according to the agreement, they purchased no more than 10% in any single venture.²⁷ The idea was to protect the investors from suffering the loss of more than 10% of any single venture and thus cut the losses expected from the speculative nature of some of the investments. The new company did very well in this area however, buying during the crisis. At the year's end they had invested £436,917.²⁸ They had their eyes on even larger areas of investment, however. "The population of the United States is now larger than that of the British Isles . . . its territory is twenty-eight times as large, and the legitimate requirement of the country in developing its resources affords ample opportunity for employing capital profitably, that for many years to come the demand must be greater than the supply, and the rate of interest therefore high."²⁹

From its conception until 1879 the Company continued to expand. The combination of demand for more stock and the opportunities for investment caused them to double the authorised capital to £2,000,000.

This they continued to invest in a variety of securities, mostly American rail and State and municipal bonds. Under Menzies they had established a reserve fund which, by December of 1879, had reached £90,000 and yet were able to declare the annual 10% dividend.³⁰ Sensing the trend they began to pull out of rail securities. The return to specie payments in 1879 indicated an appreciated payment on mortgages and Menzies decided to expand in this area. They were also interested in following the lead of the Scottish-American Mortgage Company and the possibility of investments in the cattle business were being surveyed. Menzies and John Kennedy had toured the West themselves and were favorably impressed. But they wanted more evidence. John Clay, then leaving as sub-commissioner for the Royal Agricultural Commission, was urged to investigate the possibility and potential of ranch lands.

As a result of these visits the first of the 'Menzies group' cattle companies was organised: The California Pastoral and Agricultural Company, Ltd. The capital was £250,000 in £10 shares with the Scottish-American Investment Company policy makers serving as the directors.³¹

This was a limited financial success and they were able to pay a 10% dividend in 1883.³² A second entry into the cattle business was to be the first major Midlands investment, this time in Wyoming.³³ This was the massive holdings known as the Swan Land and Cattle Company, Ltd. A third ranching company was the Western Ranches, Ltd., located along the Belle Fourche River in western South Dakota and northeastern Wyoming. This company was the most successful of the Midland efforts.

Even while pushing cattle companies the parent company retained its interest in, and heavy investment in, railway bonds, mortgages, land

speculation, and State and municipal bonds. In 1885 after weathering the problems of the "railway collapse", they were still paying 12% with the bulk of their investments in railway bonds, a sufficient proportion in real estate and a small, but diversified portion in municipal bonds. While suffering a slow down in real estate mortgages during the later 1880's the Scottish-American Investment Company, Ltd. was still able to pay a 10% dividend plus a 3% bonus in 1889; in 1891 to pay 15%.

A series of companies were developed in Dundee. The first of these efforts was the Scottish-American Investment Trust established by Robert Fleming, in 1873. Fleming was a pioneer in the trust movement. He served as private clerk to Edward Baxter, the senior partner in Messrs Edward Baxter and Sons, an extremely successful textile firm. Baxter was very interested in America and had considerable financial dealings there which he conducted through Fleming. On his return from an 1870 trip to the United States, Fleming was able to interest a group of men with available capital, and they formed a company. The result was the Scottish-American Investment Trust, Ltd. of which Fleming was Secretary. The trustees were John Guild, John Sharp a Spinner, Thomas Cox who held large Prairie Cattle Company shares when they were offered, and Thomas Smith. The first issue was offered in Dundee in July of 1873.

The first issue was oversold and a second was made available, and sold just prior to the panic of 1873. A third issue was made in 1875 bringing to £1,000,000 the capital controlled by Fleming and his associates.

They were extremely cautious investors and interested in a great diversity of securities. Despite the panic and some railway losses the Company was strong by 1879 and paying their 6% promised dividend. In that year they registered under the Companies Act by listing each issue as a separate company, all under John Guild. Their stockholders followed the same patterns of manufacturers, merchants, stockbrokers, lawyers, professional men and a few farmers. ³⁹ These companies generally grew at about the same rate, rising from 1881 to the end of the Century when a £100 share in the Second Scottish Trust Company was selling at ⁴⁰ £192.10.

In later years some Dundee groups were formed into the Alliance Trust a massive financial organisation which has been investigated by W. G. Kerr. As individual companies, however, these early organisations had some dealings in Wyoming and the Midlands. The Oregon and Washington Trust Investment Company, Ltd., was organised in 1873 under the efforts of William Reid who had recently been the Vice-Consul in Dundee. He knew the local men well and arranged with 25 Dundee manufacturers and professional men to establish the company. They selected Thomas Bell, who would later become a director of the Scottish-American Mortgage Company, William Lowson a merchant, James Neish a solicitor, Thomas Couper a shipowner, Thomas H. Cox manufacturer and trustee of the Scottish-American Investment Trusts, and John Leng, publisher of the Dundee Advertiser and member of Parliament, as the Board. William Reid ⁴¹ was to act as Secretary and the Earl of Airlie was appointed Chairman.

A subscribed capital of £150,000 was raised with £25,438 paid in.

In 1874 after some feeling that local loan policy was not completely understood by Alonzo Cook the American agent, William Reid left for America and William Mackenzie was appointed to replace him. The market seemed too good to miss and by 1875 it had £65,281 on loan at a rate of between 12 and 15%, to be repaid in the newly developed periodical payment plan. Company and private papers indicate some mortgages accepted in Colorado and in Wyoming as a part of cattle purchases in Oregon.⁴²

William Mackenzie's appointment was an important one, and he was to become a vital member of the financial group in Dundee for years to come. Born in Dumfriesshire into a Free Church family he seemed to possess latent financial talents. His experience was void however, for he had no business background whatsoever. He admitted to being just a little confused by law, double-entry bookkeeping and it all.⁴³ But both he and the Company were to be successful. In 1875 a 6% dividend was paid free of income tax, in 1876 it was 9% and in 1877 and 1878 it was 10%. The 1878 failure of the City of Glasgow Bank caused considerable panic and many firms felt this was the time to retreat. The Oregon Company was one of them. They called home most of their cash reserve from the States to support reserves which had suffered when the British Bank stock had depreciated.⁴⁴

The success of the earlier effort and the urge to expand into other territories for mortgages caused the same group of men to establish, in May of 1876, the Dundee Mortgage and Trust Investment, Ltd. The prime mover behind this effort was John Leng who had recently returned from a trip to the States. Its beginning was encouraged as the

first issue was oversold. They finally began with 15,000 shares⁴⁵ raising capital of £300,000. William Mackenzie, of course, served as Secretary and the Earl of Airlie was Chairman of the Board. Investments were in carefully selected areas in California, New York, the Midlands, Indiana, and Wisconsin. The policy was conservative, generally loaning less than 42% of those requested. The precaution paid off in a 6% dividend paid in 1877, 9% in 1878 and 10% in 1879 all free of income taxes.⁴⁶

The Dundee Mortgage and Trust Investment Company, Ltd. and the Oregon and Washington Trust Investment Company, Ltd. amalgamated under the direction and urging of William Mackenzie. The new Company showed capital of £118,000 and a reserve of £35,000 with loans as mortgages £587,980, real estate of £16,135 and temporary investments of £29,845.⁴⁷ The Board was strengthened in 1880 with the appointment of Robert Fleming who was to serve for six years.⁴⁸

In September of 1878 a new Company, connected by interlocking personnel, had been organised: The Dundee Land Investment Company, Ltd. This short lived group was set up for land speculation by most of the same people. William Mackenzie was Secretary and the Earl of Airlie was again Chairman of the Board which included William Lowson and John Leng as prominent members. The hope was to "purchase, lease, or acquire" for cash in the depression areas of the West and to improve them for settlement. They set up an authorised capital of £250,000 in £10 shares⁴⁹ but only £5 was called up on the 10,000 shares issued. To this end they purchased good renting lands in Iowa, Nebraska, Colorado, Wisconsin and Minnesota hoping to settle Scottish immigrants and to rent to them in such a way as to improve the value of surrounding land. The towns of Airlie

and Dundee, Minnesota were established but these were short lived.⁵⁰
 Large acreage was purchased in Iowa and Wisconsin under the eyes of
 William Smith a Morprie, Scotland farmer who had gone for that pur-
 pose. But their main source was western America where they felt land⁵¹
 would be prime as the immigration movement continued westward.

They merged quickly into the newly constituted Dundee Investment
 Company, Ltd., in April of 1882. The addition of Robert Fleming to
 the Board was to be a very important link between financial leaders
 in Dundee. By 1883 the new Company, under Mackenzie's leadership,
 held real estate amounting to £86,920 investments; 7% mortgages of
 £69,332, municipal and railway bonds of £52,581 and were able to pay⁵²
 a dividend and bonus. None was paid, however, in 1884.

In April of 1888 William Mackenzie was able, with his directors
 consent, to consolidate his two companies, The Dundee Investment
 Company, Ltd. and the Dundee Mortgage and Trust Investment Company,
 Ltd. The new Alliance Trust Company, Ltd. began business on the first
 of November, 1889. John Guild was first Chairman of the Board and⁵³
 Mackenzie was Secretary. By 1890 they had £1,293,003 invested in⁵⁴
 2,245 mortgages and bonds including some in the Midlands. These funds⁵⁴
 were from 1316 debenture holders and 948 shareholders. The Alliance
 shared in the disharmony following the Baring crisis and paid lower
 dividends and earning from 1892 to 1901. In 1896 it had dropped to an⁵⁵
 8% dividend.

In 1877 yet another group had been organised to make real estate
 loans. This was the American Mortgage Company of Scotland, Ltd. which
 was registered 20 July 1877. The idea was sound as they planned to

make loans on farm lots in the South and Midlands as well as in the Midwest. The Midlands loans ran from the extreme western Dakotas, Wyoming and across Montana to Washington. Promoters and the Board consisted of Thomas Lawson, Alexander Niven, Managing Director and already a member of the Board of the Scottish Heritable Security Company, Ltd., James Tait as Chairman, also a member of the Board of the Colonial Investment and Agency Company of New Zealand, Ltd., Robert Paterson, James Alexander and Douglas Murrie who was appointed as Secretary. They provided for an authorised capital of £1,000,000 but only subscribed £428,000 with 10% paid up. ⁵⁶ It started off fairly well and managed an initial 5% dividend but this quickly dropped to 3%. An attempt to boost the effort through reorganisation offered some relief but problems with monetary unrest in the West and decreasing interest rates caused considerable decline so that by 1884 the Company was in trouble, ⁵⁷ and by 1886 the Stock Exchange listed only 34 shillings being ⁵⁸ offered for a £2 share.

Glasgow, usually passive in this area, established a company on the 26th of September 1882 to deal in the southern regions of the Midlands; The Scottish Mortgage and Investment Company of New Mexico, Ltd., which was organised by Carson and Waters, Glasgow Chartered Accountants. A total of £145,360 was subscribed by the Board headed by Colin J. Mackenzie. Other members of the Board included James Muirhead, Professor of Civil Law at Edinburgh University and a director of the Edinburgh American Land and Mortgage Company, B. H. Blyth, William Ewing, William Galbraith, S. Gunn and A. Cross. ⁵⁹ Capitalised at £200,000 in £10 shares each director was required to have £1000 in shares. This was also true

for the local Board established in Las Vegas, New Mexico to advise on
⁶⁰
 purchases and loans. They made investments in land in New Mexico and
 were able to pay a 7% dividend in 1884. In that year shares were sell-
⁶¹
 ing at £19.6. The assets declined somewhat in the following years and
 they paid only 8% from 1886 to 1888. Active leadership soon fell into
 the hands of the Edinburgh investors headed by Colin J. Mackenzie and
⁶²
 Sir George Warrender, a major stockholder.

The American Land and Colonialisation Company of Scotland, Ltd.
 which was incorporated on March 18, 1881 had no dealings in Wyoming and
 only very few in the Midlands. A Glasgow company under H. Cowan of
 the manufacturing family they registered an authorised capital of £197,880
⁶³
 in £10 shares but liquidated in 1885 at about the break even point.
 Another group was the Anglo-American Land Mortgage and Agency Company,
 Ltd. with an authorised capital of £500,000 in £10 shares. This Company
 was registered in London on the 31st of October 1883. The Board in-
 cluded C. Fraser Mackintosh, D. Macpherson and J. D. Peddie, already a
 director of the Scottish-American Investment Company, Ltd. They did
⁶⁴
 business primarily in Iowa with minor loans in Colorado.

In 1878 the Edinburgh American Land Mortgage Company, Ltd. was
 organised. Promoted by Jesup, Paton and Company of New York the Board
 was headed by James McLaren, Chairman who was soon to be raised to a
 peerage, William Wood a chartered accountant who was named Managing
 Director, Alexander Cowan whose brothers were involved in the trusts,
 James Stormonth Darling, Writer to the Signet and heir to Lednathie
⁶⁵
 the Highlands estate, and Professor James Muirhead. They operated under

a fairly conservative loan policy which favored improved farm loans and which required the Scottish approval of loans over £1,000. They had considerable difficulties placing their loans at the expected 8 to 8½ and were forced to channel some 20% of their funds into railway bonds and even municipal securities. In 1881 they paid 7% dividends which they were able to raise in 1882 to 7½% which they continued to pay for the next ten years.

The Scottish-American Land Company, Ltd. organised in April of 1880 by the directors of the Scottish-American Investment Company and included John Clay on this Board. They were capitalised at £100,000 and were to buy land, improve it, and make it available for resale to immigrants. Two issues, one of 5,000 at £7 and one of 5,000 at £2 were sold and in the first year a 10% dividend was paid. They had a few interests in Wyoming, through Clay, but concentrated more in the western sections of the Midwestern States. They liquidated in 1892 probably never having realised any profit from the investment.

Several other companies had been organised during the 1880's to receive a share of the profits being reported. In 1884 James Tait was once more involved along with Thomas Lawson, a land and cattle evaluator from Neosho, Missouri, in the American Trust and Agency Company, capitalised at £100,000. It planned to operate in the Midlands. Only 25% was ever subscribed however and of that only a minimum amount paid in. The effort closed out by 1889.

Mention should also be made of the Investors' Mortgage Security Company, Ltd. that was launched in Dundee with a million pounds of authorised capital. Destined to do business in land mortgages despite the general agricultural depression in the 1890's it did manage to survive until reorganisation in 1906 paying an average annual dividend

70
 of 6 $\frac{1}{2}$ %. The United States Mortgage Company of Scotland, Ltd. registered in March of 1884 by a group headed by Holmes Ivory, Writer to the Signet and the North American Trust Company, Ltd. of Dundee in 1896 under 71
 Edward Cox were primarily Texas land and American railway companies. In 1883 the Texas and New Mexico Land Syndicate of Edinburgh registered on the 17th of March. Authorised with a nominal capital of £20,000 in 4,000 shares it was to do business primarily in Texas and very little, if 72
 any, was done in the Midlands.

This brief look at the investment picture has not tried to include those corporations which operated completely outside the area of this survey. Many other corporations were in existence and had important contributions to consider. W. G. Kerr's study of mortgage companies in Texas is an excellent example of the scope of investment activities in 73
 a single state. It might be well here to attempt a brief summary of the activities of these corporations which had some field of operation, however limited, in the Midlands.

In addition to the general problems of the investment companies these firms suffered the detailed problems of the local areas in which they worked. For the Midlands the hardships, while no more restrictive than say Texas, were different. Weather, laws, the location of other foreign immigrants, local land conditions, climate and topography provided them with a particular set of problems. These Scottish companies recognised this and developed the idea of the American "Board", as well as American agents, to determine and advise about lending policy.

These limited companies grew rapidly following the 1873 depression when they moved into American investments, starting most heavily in

railway investments. Following that the rise of Dundee investors in Pacific real estate and the vast development in Edinburgh and Dundee, and to a lesser degree in Glasgow and Aberdeen, of houses primarily concerned with mortgage and land investment. By 1880, for example, Dundee had lent something in the neighbourhood of £800,000 on mortgages, probably another £1,250,000 in investments, with a total that can be estimated at nearly four million pounds. Using primarily shareholder money they managed to pay something like 8 to 9% interest. The Edinburgh houses tended to use more borrowed funds and pay an average near 12% on these investments.

Initial successes led the mortgage companies to direct the flow of funds into Trans-Mississippi West investments which included such things as cattle companies, land purchases, town site speculation, timber companies and mining. The last of these drew Scottish capital but not in the same degree or with the same interest as it did English funds. The major part of this money came from debenture borrowings.

Early successes were enough to both push continued investment and to reap large enough profits to overcome the effects of later depressions. From the decade 1873 to 1883 an estimated £20,000,000 were in the United States in mortgages with another £18 to 20 million pounds in mines, cattle, timber and private loans to individuals.

At this time, and I think during the whole period of the investment boom, mortgage and investment funds were the bulk of Scottish funds in the United States. Declines in 1884 and 1885, the panic winter of 1886-87 and general depression conditions in the United States were to cut this period of profit and bring serious doubt to the investment companies as

well as the decline of several corporations. The rise of interest brought new profits but less faith in the late 1880's and the panic of 1893 set off a decline in income and corporations till 1896 or so. The income of those years of profit and reward were not to come again even though in the 1920's there was a considerable renewal of success.

Until financial histories can be completed of the various operations no real summary of this period can be done. The success of the investment houses, however, is worth noting as is the fact that those large houses put together by men of investment knowledge, experience, and insight were far more successful and had long range rewards. The smaller corporations put together by basically unqualified and inexperienced persons in order to milk the trend of investment profits were themselves less successful.

Also, the structure of the companies and their shareholder lists, indicate a wide distribution of the shares within the professional and merchant-manager community. Tradesmen, manufacturers, clerks, doctors, lawyers, actuaries, everyone but the landed gentry who rarely invested major sums, are evident in these lists.

Chapter Six: Notes

1. Shannon, H. A. "The Limited Companies of 1866-1883", The Economic History Review, IV (October, 1933) 290-307.
2. The return on U. S. Government bonds from 1870-1880 was 7.5%, on the bonds of other governments 4.93% and on Consols 3.84%. On U. S. rails 9.3% while on all foreign rails 4.93% on dividends and 1.79% on principle. Cairncross, A. K. "Did Foreign Investments Pay?", Review of Economic Studies, III (October, 1935) 67.
3. The Edinburgh Courant 12 January 1874.
4. Jackson, W. Turrentine The Enterprising Scot. Edinburgh: University Press, 1968, 13, 21.
5. Keir, David (ed) The Third Statistical Account of Scotland: Edinburgh, Vol. 15 Glasgow: Colins, 1966, Preface on Edinburgh.
6. Keir, David (ed) The Third Statistical Account of Scotland: Glasgow, Vol. 5 Glasgow: Colins, 1966.
7. Ibid. Conversations with W. G. Kerr, St. Andrews University, May, 1969.
8. Keir, loc. cit. Glasgow, Vol 5. Preface on Glasgow.
9. Jackson, 21. Kerr, W. G. "Scottish Investments and Enterprise in Texas", Payne, Peter L. Studies in Scottish Business History. London: Frank Cass and Company, Ltd., 1967, 370.
10. Keir, loc. cit. 368, 369, 375.
11. Marwick, W. H. "The Limited Company in Scottish Economic Development", Economic History (Supplement) III (February, 1937) 415.
12. Memorandum of Association, Scottish-American Mortgage Company, Ltd. 1874, ECRO. The Statist called these company chairman, 'company mongers' and 'titled Decoy Ducks', 9 July 1891, 32-33.
13. Papers, Scottish-American Mortgage Company, Ltd. ECRO.
14. Ibid.
15. Jackson, 18, 19, 21.
16. This gave Dundee one-third. See Kerr, "Scottish Investment and Enterprise in Texas".

17. Papers, Prairie Cattle Company, Ltd. ECRO.
18. Jackson, 37.
19. One of these agents was Francis Smith and Company. Gene Gressley in his book Bankers and Cattlemen and an article "Broker to the British: Francis Smith and Company", Southwestern Historical Quarterly, LXXX, No. 1 (July, 1967) 192-193, 204-205, suggests that Smith was a major source of investment opportunity and was responsible for some \$14,000,000 of the estimated \$45,000,000 in British investments. Every evidence I have uncovered questions this; the nature of the Scottish leadership makes it nearly impossible.
20. Clay, John Breeder's Gazette, June, 1901.
21. The Edinburgh Courant 24 January 1885.
22. For a discussion of these conditions see Clements, Roger V. "British-Controlled Enterprise in the West Between 1870 and 1900 and Some Agrarian Reactions", Agricultural History, Vol. XXVII (October, 1953) 132-141.
23. Obituary, Sir William Menzies, The Scotsman 16 October 1905, 6.
24. The Scotsman 27 October 1900.
25. Prospectus, Scottish-American Investment Company, Ltd., 1873, ECRO. Clay, John My Life on the Range. Norman: University of Oklahoma Press, 1962, 14-16.
26. Papers, Scottish-American Investment Company, 1873-1875, ECRO.
27. Ibid.
28. Jackson, 15.
29. Prospectus, Scottish-American Investment Company, Ltd., 1873, ECRO.
30. Edinburgh Directory, 1880, 9.
31. Prospectus and papers, California Pastoral and Agricultural Company, Ltd., ECRO. Clay, 18-19.
32. The Edinburgh Courant 4 January 1883.
33. For a discussion of the effect of land laws see Chapter 11; and Allan G. Bogue's Money at Interest. Lincoln: University of Nebraska Press, 1955.
34. The Statist, XV, 17 January 1885, 64 and Valuation of Securities filed filed with the Scottish-American Investment Company, December, 1885.

35. Report of the 13th annual meeting, Scottish Banking Magazine, May 1886, 130-131. Report of the 16th annual meeting, Ibid., March, 1890, 70.
36. Obituary of Robert Fleming, Times (London) 2 August 1933. Fleming served on many boards and directed many companies. An avid American supporter he reconstituted the Atchinson, Topeka and Santa Fe Railroad on one of his 128 Atlantic crossings.
37. It operated as a trust agreement until 1879.
38. Prospectus, 3rd Issue, 1874, ECRO. Jackson, 22.
39. Papers, Scottish-American Investment Trust, ECRO.
40. Gilbert, J. C. A History of Investment Trusts in Dundee, 1873-1938. London: P. S. King and Sons, Ltd., 71. This group was heavily invested in such companies as the Powder River Cattle Company, Ltd., and the Arkansas Valley Land and Cattle Company, Ltd.
41. Memorandum of Association, Oregon and Washington Trust Investment Company, ECRO. In a variety of companies Reid is estimated to have loaned out over £1,250,000 in Oregon, Washington and the northern Midlands. Hines, H. Illustrated History of Oregon. Chicago: 1893, 511.
42. Memorandum of Association, Ibid. Secretary of Interior, Wyoming, Territory, WAH (1881). Jackson, 26.
43. William Mackenzie's Scrapbook as quoted in Jackson, 26.
44. Ibid. Progress of the Oregon and Washington Company was in the Prospectus of the Dundee Mortgage and Trust Investment Company, 1876, ECRO.
45. Ibid.
46. Annual Summaries of Capital and Securities, Dundee Mortgage and Trust Investment Company, (Bancroft) RCSC. Gilbert, 56.
47. Dundee Advertiser 22 October, 22 December 1879.
48. Proceedings of Annual Meetings, Dundee Mortgage and Trust Investment Company, Ltd. May 6, 1880 as quoted in Jackson, 64.
49. Prospectus, Dundee Land Investment Company, Ltd., 1878, ECRO.
50. St. Paul Pioneer Express 22 September 1879, 6.
51. Gilbert, 56.

52. Memorandum of Agreement, Dundee Investment Company, Ltd., 1882, ECRO. Report on Company, from Gilbert who used materials not now available to individual scholars.
53. Dundee Advertiser 9 October 1899.
54. Gilbert, 64-66.
55. Burton and Corner, Investment and Unit Trusts in Britain and America. London: Elek Books, 1968, 38.
56. Memorandum of Association, 1877 and Papers, American Mortgage Company of Scotland, Ltd., ECRO. Edinburgh Directory, 1880, 9.
57. The Edinburgh Courant 24 April 1884.
58. Scottish Banking Magazine 7 May 1885, 130-131.
59. Memorandum of Association, Scottish Mortgage and Land Investment Company of New Mexico, 23 September 1882, ECRO. Stock Exchange Year Book, 1890, 599. Ibid., 1886, 73.
60. The Edinburgh Courant 23 January 1883, 8 April 1885.
61. Ibid., 8 April 1885.
62. Papers, Scottish Mortgage and Land Investment Company of New Mexico, ECRO.
63. Scottish Banking Magazine 5 October 1886, 230.
64. Stock Exchange Year Book, 1885, 558. Scottish Banking Magazine, 6 August 1884.
65. Prospectus and Memorandum of Association, Edinburgh American Land Mortgage Company, Ltd., 1878, LSER.
66. No loans were made under £104 or over £1041 without the approval of the Edinburgh Board. Prospectus, LSER.
67. Jackson, 38.
68. Scottish Banking Magazine 5 October 1886. Papers, Scottish-American Land Company, Ltd. ECRO. Skinner, Stock Exchange Year Book, 1887, 434-435.
69. Papers, American Trust and Agency Company, Ltd. ECRO.

70. Jackson, 272.
71. Burdett's Stock Exchange Years, 1897.
72. JSRL, 1883.
73. Kerr, W. G. "Scotland and the Texas Mortgage Business", Economic History Review, Vol. 16, 1964, 91-103.

Chapter Seven: Single Venture Investments in the Midlands.

As the immigrant moved westward across America the investment opportunity moved with him to "a country of beginnings, of projects, of vast design and expectations". The mania for investment was so consuming that the Economist felt the need to warn speculators against buying Confederate bonds which had appeared again. The Economists considered North and South American mining stock in about the same¹ light and equally as unprofitable.

But the investment fever was to lure money into the Midlands where every promise was seen and expectation assumed. Success stories from Texas and the Indian Territory were now enlarged upon as company prospectus spoke of grazing lands where a 1000 pound Texas steer could add 100 pounds if he was grazed in New Mexico or Colorado, and 200² pounds if in Wyoming or Montana. As a continuation of Scotland's "progressive and aggressive" willingness to "venture anywhere in the pursuit of commerce" companies were developing for operation in the³ grass lands. These organisations grew out of the financial centres of Dundee and Edinburgh where both capital and experience were drawn together. Glasgow and Aberdeen each made small investment attempts but⁴ these involvements were more limited.

Texas, it had been explained, was a breeding area and could produce 90 calves for every 100 head as against Wyoming's 60 calves. But the rich grain like grasses of the Midlands made it a weight producing centre as well as being a healthy place to raise stock. With this

distinction cattle companies moved their activities westward to this one last belt of untapped grass that ran from New Mexico in the south to Montana in the north, nearly 500,000 square miles. Land appeared free for the taking. In Montana, Wyoming, Colorado and New Mexico it was a case of first come first served and when, if ever, the survey came the land was "yours for the payment of a small fee". In the meantime⁵ "there was no trouble about titles, deeds, surveyors, and lawyers".

Of all these areas Wyoming promised to be the most profitable place for investment. The centre of the investment moved to match it. From 1882 to 1886 there were 93 cattle companies incorporated in Wyoming, with a total capitalisation of about £10,673,333.⁶ By 1900 this had reached a total of 188 companies with a capitalisation of about £19m.⁷ These were not all foreign by any means but the British contribution, small in numbers, was impressive in terms of capital.

Some idea of the expansion of the cattle industry into Wyoming is indicated by the fact that in 1870 Wyoming listed only 71,130 head. In 1880 this had risen to 521,213 head. In 1884, at the Powder River roundup for the Wyoming Stock Growers Association, 181,000 head were listed;⁸ 123,000 of these were British owned.

Wyoming was cowboy territory and this is worth remembering. Because of this her laws were cattle laws, her customs were range customs, and her leaders were stockmen. The whole territory was moulded by the character and nature of her live stock and she was what she became because of the distinctive nature of those men who worked cattle on the vast grass lands. And yet we must make a distinction between two types of "cowboys". These can be distinguished as cowboys and cowhands. These

are terms used by Russell Thorp himself a long time cowhand and ranchman. The first was the Texas cowboy. He was a tough, hardy, long working man with the stamina and drifting ways of the cattle he worked. A lot of Texas men came into the Midlands, especially into Wyoming. They came driving cattle; they came looking for work; they came -- sometimes they were driven -- in search of a spread of their own on which to expand a few beeves 'collected' into herds of their own. These were professional men who worked the animals hard and who were to give the cowboy much of his wild and romantic reputation. A lot of Texas men found work in Wyoming; some to teach the locals; some to work the herds; some to oversee the ranges; and some on call to clean out the nestors.⁹

The second group was the local cowhand. He was more a business man working in a company. Many started with the local company ranches, learned their trade, became associated with a particular brand and found themselves more and more the product of the organisational nature of ranching as an industry. Perhaps calmer men -- at least from a calming profession -- there were no Dodge City or Waco in Wyoming -- and Cheyenne at its roughest was hard rather than violent. Cattle required management and care in the grass lands in the 1880's rather than guarding and driving and the men who worked them were different.

There was some real lack of understanding on the part of many stockmen, both British and Texas, of this new area. This is especially true concerning the winters in Wyoming. It was assumed that since the bison survived the winter months that plains cattle would have little trouble. What was not considered was the special trait of the bison,

Table No.1Companies Registered in the Midlands

<u>Year</u>	<u>New Mexico</u>	<u>Colorado</u>	<u>Wyoming</u>	<u>Montana</u>
1880	1	1	4	2
1881	5	4	9	1
1882	88	23	7	3
1883	20	29	24	6
1884	21	58	24	17
1885	33	43	23	15
1886	23	25	15	27
1887	18	17	9	7
1888	8	9	5	2
1889	10	14	6	3
1890	11	11	5	6
1891	4	8	4	9
1892	1	7	0	16
1893	1	11	2	10
1894	0	4	1	2
1895	<u>2</u>	<u>13</u>	<u>6</u>	<u>7</u>
Totals	246	277	144	133

Compilation of Company Records: Western Range Cattle Industry Study Centre.

not possessed by domestic cattle, to face into the storm and not to travel at such times. The bison were thus able to avoid the disastrous results of drifting with the blizzards, becoming stalled in coulees and creeks covered with drifts, or being thrown over ledges¹⁰ and embankments, or sometimes trampled by those who followed. At the same time the cattle faced the "series of winter": First a little snow, than a heavy snow which warmed and melted on top, than a quick freeze and more snow all of which prevented the cattle from digging through the ice crust for food.

Several attempts were made by English and Scottish firms to take¹¹ advantage of the Midland's grass land. On December 3rd, 1879, the Colorado Rancho Company, Ltd. was incorporated at £13,108 to purchase and operate the Osage Ranch, a 10,000 acre track in Colorado and Wyoming. This was a James W. Barclay enterprise and 4/5 of the stock was held by the parent company, The Colorado Mortgage and Investment¹² Company, Ltd. of London which had sold stock heavily in Dundee. Barclay, a member of Parliament from Forfarshire, Scotland headed the firm which¹³ was already engaged in western mining and agriculture. The ranching¹⁴ Company was vastly undercapitalised and carried a loss in 1880-81. Capital was increased in 1881 to £70,000 but the ranch was not a paying¹⁵ proposition. In 1884 it earned only £216. The Colorado Mortgage and Investment Company, Ltd., managed in America by James Duff, was engaged in almost endless activities during the early 1880's. They were builders of the 'high line canal', manufactured brick, erected buildings¹⁶ including the famed Windsor Hotel, and engaged in land mortgages.

As the cattle boom hit Dundee and Edinburgh in the early 1880's several ventures developed, few which were financial successes. The Scottish Banking Magazine was warning that the circumstances "that enabled the Prairie Cattle Company at the commencement of its career to declare a large dividend to its shareholders may now be said to have passed out of existence". The boom was not going to hold and its readers were cautioned against further investments in the area. Many English journals pushed the same general theme, but little notice was taken by any of the anxious investors.

The Arkansas Valley Land and Cattle Company, Ltd. was English based but included Dundee financial leadership. Andrew Whitton, on the directory of the Powder River Company, the American Pastoral Company, Ltd. and others, William G. Thompson and John Ieng were on the Board and Scottish money was in the coffer. Capitalised at £250,000 in July of 1882 it was organised to purchase the Holly Sullivan ranch in Colorado. The ranch ran along the north bank of the Arkansas River and controlled some 18,000 acres of land. In addition it ran its near 24,000 head of cattle on 553,000 acres of the public domain. The Company also ran cattle in Wyoming on Wild Horse Creek. As was the customary practice among the cattle outfits the land was purchased in connection with the vast areas of open range and this land was used as if it was their own. In fact some companies failed to keep in mind the distinction.

The American public was becoming increasingly restless with foreign ownership and control of land and in May of 1882 the United States Senate had passed a resolution inquiring into the degree of foreign involvement. The Arkansas Valley Land and Cattle Company, Ltd. got caught

in this and were accused of land fraud. In this particular case the claim was that they had fenced public domain and refused approaches to the Arkansas River. The Company opened large amounts of public domain as a result of the investigation but the unrest did not greatly diminish.
20 *

Developed on the basis of £5 paid up per share they were able to pay a dividend of 10% in 1883 and the market value of their shares increased in 1884. There was no dividend however in 1884 and the Fleming group in Dundee unloaded their shares while the price was still up.
21 Disputes over land, falling prices, declining calf crop, rising costs and the hard winter of 1884-85 in the southern Midlands all resulted in dividends not being available in 1885 or 1886. Finally the Company folded during the depression of the 1890's with few, if any,
22 assets to repay the stockholders.

The Carlisle Cattle Company was primarily an English Company with headquarters in Colorado. It operated in Colorado and Wyoming. There was some Scottish money involved according to earlier investors. The Company fenced considerable land in order to control the range and was charged by the United States Senate to remove them. Operating on
23 limited range the corporation went downhill, and was sold, probably in 1886, to a Colorado owner.

Two Montana companies were organised in 1885 and 1886 in Scotland. They were single venture companies with backers and managers dreadfully misinformed about their venture. As well they were developing very late

* See Chapter 11 for a discussion of the effect of these investigations.

in the boom years. One, the Montana Sheep and Cattle Company, Ltd. was organised by a Leith family, drawing funds from the east of Scotland in such towns as Newport, Haddington and Falkirk. Organised at the small amount of £8,000 from subscribers it was reorganised on the 8th of July, 1885 and had an authorised capital of £100,000 in 20,000 shares. Only 3,833 shares were sold to the 52 shareholders and the Company was greatly undercapitalised. It planned to purchase and to operate a ranch in Custer County, Montana. They sent out J. H. Thorborn, one of their directors, to become the American Manager and located their Company headquarters in Edinburgh. The directors included William Ford, G. R. Glendenning and Alexander Smith. By 1887²⁴ they were missing dividends²⁵ and by 1890 recorded a debt of £27,000²⁶ lost on investment.

A second group which also ended in the same failure was the Greenock based Chalk Buttes Rancho and Cattle Company, Ltd. registered 15 April 1885. They were capitalised at £30,000 issued in 3,000 shares. They purchased Ebenezer Ramsay's ranch near Miles City, Montana for £2300 in paid up shares, and kept Ramsay on as American Manager. Only 1,090 shares (£10,000) were taken by the 12 shareholders and this group, headed by C. G. Ramsey a sugar merchant from Greenock, and D. E. Johnston of Dumbartonshire never really got off the ground.²⁷

The Maxwell Cattle Company, an American based group with a British Board, included J. Guthrie Smith of Edinburgh on the Board of Managing Trustees. The Duke of Manchester, the Earl of Rosslyn, William Strong, President of the Atcheson, Topeka and Santa Fe Railway and William Dowd, President of the Hannibal and St. Joseph Railroad were also members of

the Board. The trustees themselves represented a good portion of Scottish shareholders. Brokers for the Company were listed as Torrie, Brodie and Maclagen of Edinburgh; Kerr, Anderson, Muir and Main in Glasgow; and Watson and Lowson in Dundee. The Scottish Banking Magazine in 1884 suggested that this company met all the "requirements which the Scots felt necessary for their investment": a firm tenure on good pasture, delivery of cattle by count, and good management.

The Prospectus states: "The cattle business has now been practically shown by the English and Scottish Companies to be both safe and profitable". The Company held the lease for thirty eight years on the one and three-quarter million acre Maxwell Land Grant in Colorado and New Mexico, a lease valued by William Falconer of Garnton, Kincardineshire, at £250,000. This was leased at the rental of \$1.00 per year. Falconer was a British director and also a director of the Cattle Rancho and Land Company, Ltd. They offered for sale \$200,000 in 8% first mortgages of £100 in November of 1882. These were quickly purchased. The funds were to be used to stock the range with cattle.

William Blackmore, a Liverpool solicitor and promoter, advertised in the Economists and the Scottish Agriculturalists asking for investors in sheep and cattle. Falconer and George Fairweather of Dundee had visited the range and offered a good report on it. The Maxwell Cattle Company, however, became involved in entangling financial complications under Blackmore and his ideas of empire. Funds from Scotland and England were invested in such projects as The Mountain Base Investment Fund, The Land Mortgage and Trust Company of North America, which never materialised,

and the United States Mortgage Company of New York. When in 1887 the bondholders were unable to redeem their bonds the Maxwell Cattle Company passed into the hands of the Union Land and Grazing Company, an American controlled company under General Benjamin Butler of Massachusetts. This³³ resulted in an ultimate loss of £200,000.³⁴

The Kansas-New Mexico Cattle Company, Ltd. organised in London with large Dundee shareholdings, operated primarily in Kansas near Sedwick, but it had range lands of some size in New Mexico. Based on the one thousand acre Carlisle Ranch additional range was purchased from the Atchison, Topeka, and Santa Fe Railroad Company.³⁵ The Company was authorised at a capital of £150,000 with \$38,500 to be paid to the American vendors.

The Carrizoz Cattle Rancho Company, Ltd., was launched in 1884 to ranch in Lincoln County, New Mexico with headquarters at White Oaks. They also had Scottish backers for the £80,000 capitalisation and had as a³⁶ director the Earl of Mar and Kellie.³⁷

Even as late as 1887 when most companies were heading for the rocks a new group, the Denver Rancho Company, Ltd. tried involvement, yet met with little success. Registered 1 December 1887 at £10,000 in £1 shares the ten stockholders managed to purchase only 4,857 shares and the³⁸ Company soon failed.

This survey does not include those companies which came into existence when eastern American firms saw the opportunity to invest in Western cattle using the advantages of the British limited liabilities law. This included such firms as Hart Brothers Land and Cattle Company, Ltd. (1885) the Becken Snyder and Company, Ltd. (1886) and the Coyote Valley and Red Lake Cattle Company, Ltd. (1890) all of New Mexico and the Briggs and

Ellis Company (1886), La Moyne Cattle Company, Ltd. (1886), the Moreland Rancho Stock Company, Ltd. (1884) and Briders Cattle Company, Ltd. (1885) in Montana.

A good part of the Scottish share of these investments were carried on through the local stock market and through the activities of various agents and financial firms. Not all of the investment, of course, was directed toward English or Scottish companies. The role played by the legal profession and the accountants was both important and unusual. Certainly the diversified role of the solicitors in Scotland was such that they developed great "expertise in the field of investment" ³⁹ and as such played a dominant role in the development of mortgage, investment, and single venture companies. This was not as true for their English counterparts. ⁴⁰

In Edinburgh the firm of Lawrie and Kerr were specialists in the market, as was the firm Graham, Johnston and Fleming, Writers to the Signet, who were involved in a variety of financial promotions. Fraser, Stodart and Ballingall were also involved in the development of firms ⁴¹ in Edinburgh. A. D. M. Black and Colin J. Mackenzie of the firm Mackenzie and Black, Writers to the Signet, were both heavily involved in promotion and participation of investment firms including Northern Investment Company of New Zealand. In Dundee Ogilvie and Company were market specialists and the law firms of Pattullo and Thornton were significant as was Watson and Lowson.

Other important firms which were involved in floating and directing investment, mortgage and single venture activities included James Meston and Company of Aberdeen. Meston was a chartered accountant (Later Lord

Meston) who was involved in the Texas Land and Mortgage Company, Ltd. and the Arizona Copper, Ltd. Alexander Duncan of Duncan Sherman and Company was instrumental in placing Scottish money in the cattle industry; Tait, Denman and Company, Cattle Rancho and Land Brokers of Edinburgh and New York; Gordan, Pringle, Dallas and Company of Edinburgh; Brodie and MacLagen also of Edinburgh the promoters of the Maxwell Cattle Company; John M. Murray a chartered accountant from Glasgow was active in mine promotion and the financial solicitors Arthus H. and Alfred G. Renshaw of London were headquartered in Scotland and part of the development of the Texas Land and Mortgage Company, Ltd. Kerr, Anderson, Muir and Main in Glasgow were also important in the general movement.

The age of the individual entrepreneur working with his hands on a small scale was ending, especially in the more established areas. Capital was now needed where once labour had been sufficient. Once again Europe was a source to be considered if the mines were to expand. There were Dutch, French and German mining enterprises in the Midlands during the 1870's and 1880's but they were minor in comparison to the British interests. Of these the English investor seemed far more willing to take a chance in mining ventures in the United States than were the investors of Scotland. ⁴² Still there was some investment of Scottish money and talent in the Midlands, including some in Wyoming, and this is a part of the study which must be considered here. Wyoming investments will be discussed in a later chapter.

Table No.2Cattle Reported in the Midlands, 1870-1895.

<u>Year</u>	<u>Wyoming</u>	<u>Montana</u>	<u>Colorado</u>	<u>New Mexico</u>
1870	71,000	117,000	217,000	157,000
1875	218,000	309,000	488,000	306,000
1880	523,000	555,000	809,000	545,000
1885	779,000ab	975,000	1,240,000b	949,000b
1886	900,000c	663,716	1,070,768b	1,220,968b
1887	759,000bc	471,171bc	1,049,353b	1,257,597b
1890	700,000b	1,101,000b	1,176,000b	1,340,000
1895	628,000	1,052,000	925,000	916,000
1955d	1,118,000	2,515,000	2,075,000	1,212,000

Bureau of Agricultural Economics, "Livestock on Farms 1867-1935"
 Washington, GPO. 1936. Based on reports of ranchers given at
 census.

- a. Some sources report 9,000,000 in Wyoming prior to the winter of 1886-87. This seems an obvious compounding of E. S. Osgood's erroneous reporting in Day of the Cattleman, University of Minnesota Press, 1929, 225.
- b. United States Agricultural Report, Bureau of Statistics, 1884, 1889, 1955. Washington, GPO. Based on assessment records. Some of these figures differ considerably. For Wyoming the full list is 1885-1,280,916; 1886-1,255,298; for 1887-1,230,192; and for 1890-1,217,890. See "Table on Comparison of Cattle in Midlands" for a complete listing as recorded by the Bureau of Statistics.
- c. Dale, Range Cattle Industry, 108.
- d. 1955 as a comparison date.

The British investments in mining do not reflect a very glorious period in investment history. The English Engineering and Mining Journal stated that "of all the large class of idiotic capitalists the 'Britisher' shows the least symptom of intelligence".⁴³ The flow of capital here was no isolated phenomenon, but simply one phase of the larger investment attitude that took the pound sterling into even the most questionable of areas in search of returns. While the early investment companies and cattle companies had usually issued shares in larger denominations, the mining companies tended as a group to issue £1 shares, even as low as 2 shillings, with as little as 50% paid up. This had the effect of allowing much smaller investors to take a part. It also, however, brought in those who were uninformed and "out-of-touch" with the investment picture. The general failure of these ventures can be traced to ill informed directors and shareholders as much as anything. Yet the number which failed to get subscribers, even at 2 shillings per share, is some indication of select buying or at least a lack of investment faith.⁴⁴

In the period of this study 293 joint-stock mining companies were registered to operate in the Midlands: Colorado registered 241, New Mexico 12, Montana 33 and 7 in Wyoming. From available American sources a rough estimate places nearly 800 mining ventures carried to Great Britain for funding, most of which received little attention and no money.⁴⁵ The boom started in the late 1860's and continued, especially in Colorado, until 1900. The greatest development being into those areas with the happy combination of mineral potential and railway transportation. New Mexico and Montana were unable to draw much investment money because of poor transportation in the 1870's and 80's. It is

equally true that the Indian problem, still unsettled in Montana and New Mexico, delayed investment which the settled conditions of Colorado⁴⁶ seemed to allow.

In order to establish some perspective concerning these investments and the 225 additional companies in more western States, it is wise to remember that this effort, representing nearly £77,706,751 in authorised capital (about 70% paid up)⁴⁷ was only a little over 17% of the mining enterprises registered in London and Edinburgh. Australia, Mexico and South Africa all drew considerably more capital in mining than did the United States.⁴⁸

Through the efforts of Robert Orchard Old, a Britisher turned American, the 1868 British and Colorado Mining Bureau was organised in London and Colorado. Through this office both mining activity and the publicity of mining ventures in Colorado were to be conducted. It only operated a few years, probably closing in 1873, but it had the effect of directing considerable British funds, some of which were⁴⁹ Scottish, to Colorado and the Midlands.

The Colorado companies registered in Edinburgh totaled nine. The Atchison Mining Company, Ltd. a Dundee based company registered on 7 December 1875 originally capitalised at £6,000. Seventeen stock-⁵⁰holders subscribed 500 shares. The Creston Gold Mining Company, Ltd. registered in 1893 at £110,000 in £1 shares. The Meldrum Tunnel and Mining Syndicate, Ltd., nominal capital at £40,000 registered in 1897 with few subscribers listed. Backed by the Coats family the Company failed and had to be dissolved in 1900. The Coats lost some £20,000⁵¹ and their Scottish friends another £10,000.

The Poorman Silver Mines, a Glasgow based Company, was registered in 1891 with nominal capital of £130,000 but it raised only 44 share-⁵²holders and operated only briefly. The Richardson Gold and Silver Mining Company, Ltd. registered in 1884 at £50,000. The Saint Patrick Gold Mine Syndicate, Ltd. with a nominal capital of £80,000. Registered in 1900 this was another of the Henry and Archibald Coats promotions. It was organised hoping to get gold from the Colorado Cripple Creek area but by 1903 it had lost nearly 2/3 of its capital on development and by 1908 it was abandoned at a loss. Investors had paid £150,000⁵³ in cash and 40,000 in £1 shares to the American vendors. In 1884 the Scottish Colorado Mining and Smelting Company was registered at £250,000 nominal capital but less than half was taken. Glasgow based they opened for sale on 16 February 1884 but only the initially registering seven shareholders were involved.

Moreton Frewen, of Powder River Co, Ltd., invested considerable time and other people's money in a gold mining venture near Cripple Creek, Colorado in 1883. But the Crawford Mining Company, for which he held 25% of the stock, failed. The English based Colorado Terrible Lode Mining Company, Ltd. organised in 1870. Capitalised at £125,000⁵⁴ in £5 shares only 21,000 shares were taken paid up on issue. By 1873 the Company was deeply in debt. Scottish investors numbered 38 but represented about £87,000 of the British funds involved. The Company⁵⁵ was sold back to the Americans in 1899.

The two Montana ventures were the Diamond Hill mines and the Gold Ring Company. The Diamond Hill Gold Mines, Ltd. was located near Hassell, Montana and was registered in Edinburgh on the 23 of September

1896. The idea was to buy out the Syndicate group of gold mines in Jefferson County, Montana. The Syndicate had registered on the 1st of July 1895 at £3,000 in paid up £1 shares. The new Company was authorised at a nominal capital of £455,000 in 305,000 preferred shares and 150,000 ordinary shares also in £1 denominations. It paid £390,000 for the mines, £15,000 cash, £225,000 in fully paid shares and £15,000⁵⁶ in ordinary shares. The board was headed by George and R. M. Mitchell. The capital required to develop the mining area grew beyond the Company's resources and yet they failed to produce any results. They were forced into reorganisation in 1898 but it never went after that and the⁵⁷ Scottish investors lost an estimated £60,000.

The Montana Gold Ring Company, Ltd. was not a Scottish company but drew unusual support from Dundee and Glasgow. Organised to acquire the Gold Ring claims in Cedar Hollow, Madison County, Montana, it offered⁵⁸ 40,000 2 shilling shares when registered 26 January 1899. The Drumm Lummon Mine along the headqaters of Silver Creek was the first significant English venture in Montana. Organised in 1883 as the Montana Company, Ltd. this Company registered in London with £600,000 in 300,000 fully paid shares of £2 each. They purchased the Drumm Lummon Mine⁵⁹ from Thomas Cruse, an Irish immigrant who had prospected it himself.

The 1891 Sapphaire and Ruby Company of Montana, Ltd. was capitalised at £450,000 with an additional £400 founders shares which were sold and distributed among well-known London and Edinburgh investors. The owners were to receive £200,000 in cash and the same amount in shares in the new corporation. The British public was expected to subscribe to £225,000 for the working capital. Edwin Streeter and Horatio

Steward, representatives of an English diamond firm, had made the "discovery" and purchased 3,900 acres along the Missouri River north of Helena, Montana. This was considered a very risky investment and the Statist said, "an eminently speculative concern, and should only be subscribed by those persons who are prepared to take the fullest risk".⁶⁰ The Prospectus was estimating a 40% return on investment.

Investors included Sir Robert Morier, the English Ambassador to St. Petersburg, the Marquis of Breadlebane, deputy-governor of the Commercial Bank of Scotland and twenty-six members of the stock exchange. Johnson, Walker and Trolhurst, Ltd. of London were the market-⁶¹ing agents. In 1909 with the capital exhausted and no returns coming in they sold to the Yogo American Sapphire Company.

Although beset with internal problems that limited foreign investment there was some British money in New Mexico in search of mineral wealth. Some 12 companies were registered, eight of them with active corporation structure which represented a nominal capital of £1,120,000. Of these three were listed as having substantial Scottish investments: The Carlisle Gold Mining Company, the Lady Franklin Mining Company, Ltd. and the Turquoise Syndicate, Ltd. The Carlisle Gold Mining Company, Ltd. was active with a nominal capital of £200,000. The name of this venture was changed to Golden Leaf, Ltd. after the 1889 reorganisation.

The Lady Franklin Mining Company, Ltd. was organised in 1886 for a nominal capital of £200,000. This Company paid 10% on dividends totaling, by 1900, £18,002. The 1897 Turquoise Syndicate was organised with a nominal capital of £10,000 to operate in New Mexico but

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had very limited success. The Carlisle Company managed to operate till the end of the Century paying a total dividend of \$20,000 or like the Lady Franklin, a 10% dividend on capital issued. Scotland's greatest mining adventure --The Arizona Copper Company, Ltd. -- falls outside our area of study.

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This of course does not tell the whole story because it ignores the Scottish investment in London based companies. The number of these were so vast and the records dealing with shareholders are so limited, that complete coverage of the mining investment in the Midlands can not yet be told. Efforts to uncover shareholders in those companies operating in Wyoming (which is discussed later in this work) indicates that the materials are available and can be collected if time and money is available. Until that time Clark Spence's British Investments and the American Mining Frontier, 1860-1901 is the best available. Not all the companies involved were joint-stock companies and some were unregistered and can only be found in reports of foreign companies which list "Scottish" or at least "alien" backing.

The British and Scottish investors preferred investment in British based companies. Primarily all the capital for the eleven Midland mines registered in Scotland came from Scottish investors, and additional funds were placed in English based companies, but it appears that there was not a great deal of Scottish investment in American based mining outfits. The Scot's preferred a local headquarters where they could keep an eye on things. The total investment is almost impossible to estimate but the active Scottish companies in the Midlands registered a nominal capital

of £1,645,000. It must be remembered, however, few reached their⁶⁵ authorised capital and some never got beyond the prospectus state.

The promotion of companies in Britain was almost an art and one at which American's were very good. British promoters added their own particular brand as well, leaving the investing public very much at a risk. The press felt compelled to warn their readers of American promoters. They "are mere western adventurers, with nothing to spare of either capital or character, who could not find a respectable⁶⁶ banker in New York".

Almost as pressing as the individual promoter was the bureau effort. Some, like the British and Colorado Mining Bureau, were very successful. Others, like the Wyoming Mining Agency, was very vocal but generally unsuccessful. In 1871 the later offered 3,000 shares of the Wyoming Sweetwater Mining Company to British investors but there was no run on the shares. Some were sold in both London and Dundee but⁶⁷ the Company remained inactive. The prospectus of companies offered for sale usually added the promotional attraction of including titled Englishmen as key evidence that the company was under control.

Chapter Seven: Notes

1. The Economist 1 June, 5 November, 1881
2. Von Richthofen, Walter Cattle Raising on the Plains of North America. New York: D. Appleton and Company, 1885, 63.
3. Clay, John My Life on the Range. Norman: University of Oklahoma Reprints, 1962, viii.
4. Kerr, W. G. "Scottish Investment and Enterprise in Texas", Payne, Peter L. Studies in Scottish Business History. London: Frank Cass and Company, Ltd., 1967, 375.
5. Baillie-Grohman, William "Cattle Ranching in Wyoming", Field 31 January 1880, 441-442.
6. Incorporation Records, Wyoming, RCSC.
7. Ibid.
8. Smith, Helena The War on Powder River. Lincoln: University of Nebraska Press, 1966, 94.
9. Russell Thorp is now dead. He was an old man when I talked with him during the winter of 1965-66 and again in 1967, but for all of his 90 years he was very active. During many long discussions at the Wyoming State Museum and Historical Department he discussed with the author many aspects of the early trade, a trade that he was very much a part of. It was his antagonism toward the Scottish who "crowded out the range" that first interested me in this search. His memory has proven to be fairly good even though I can't share his antagonism.
10. Kraenzel, Carl Frederick The Great Plains in Transition. Norman: University of Oklahoma Press, 1955. 36-37.
11. Some Texas companies such as the Matador Land and Cattle Company, had either headquarters or ranches in the Midlands, but since these were minor areas the areas are more realistically considered in their home states.
12. Burdett's Official Intelligence, 1883, 697. This should not be confused with the Colorado Mortgage and Investment Company of Denver which was the American agent for another James W. Barclay enterprise, the American Pastoral Company, Ltd. capitalised at £400,000 to take over the LX Ranch in the Texas Panhandle. Prospectus, American Pastoral Company, Ltd., LSER

13. Reports and Papers, Colorado Mortgage and Investment Company, Ltd. LSER.
14. Ibid.
15. Ibid.
16. Clements, Roger V. "British Controlled Enterprise in the West Between 1870 and 1900, and Some Agrarian Reaction", Agricultural History, XXVII (October, 1953) 134-137.
17. Scottish Banking Magazine 14 February 1883.
18. Congressional Record (House) 31 May 1883, 4723. Prospectus and Papers, Arkansas Valley Land and Cattle Company, Ltd. LSER. There was a considerable investment in Dundee by the Fleming group.
19. Wilkerson Papers, WAH.
20. Early in 1883 the Arkansas Company was investigated for holding land reserved for the public domain and were accused of fraud. Senate Executive Documents, No. 181, 48th Congress, 1st Session, 1883, 3689-90.
21. Prospectus, Arkansas Valley Land and Cattle Company, Ltd. LSER.
22. The Economist 20 March 1886
23. Wilkerson Papers, WAH.
24. Papers, Montana Sheep and Cattle Company, Ltd. RCSC.
25. Skinner, Stock Exchange Year Book, 1887, 423-424.
26. Stock Exchange Year Book, 1886, 334. Prospectus, Montana Sheep and Cattle Company, Ltd. LSER.
27. Scottish Banking Magazine, 1885, 120. Prospectus, Chalk Buttes Rancho and Cattle Company, Ltd., ESER.
28. Maxwell Papers, RCSC.
29. Prospectus, Maxwell Cattle Company, Ltd. ESER.
30. Stock Exchange Year Book, 1884, 508. Scottish Banking Magazine, January 10, 1884, 8.
31. William Blackmore Papers, No. 1214, RCSC.
32. Ibid.

33. Ibid.
34. Ibid. Skinner, Stock Exchange Year Book, 1887, 568-69.
35. Prospectus, Kansas-New Mexico Cattle Company, LSER.
36. Prospectus, Carrizoz Cattle Rancho Company, Ltd., LSER.
37. Norman Nelson Papers, Gowowitz Collection, Douglas, Wyoming.
38. Prospectus, Denver Rancho Company, Ltd. LSER.
39. Kerr, "Scottish Investment and Enterprise in Texas", 374.
40. Ibid.
41. Ibid.
42. Spence, Clark C. British Investments and the American Mining Frontier, 1860-1901. Ithaca, New York: Cornell University Press, 1958. This comes as close to a definitive study as has been done. He generally ignores Wyoming, but I am indebted to him for the sources he suggests. They are used only generally by him because of the survey nature of his work but have been most helpful in collecting whatever data there is.
43. Engineering and Mining Journal 23 July 1881, 53.
44. Of 3730 formed from 1856 to 1865 only 16% had shares below £5. The remainder were between £5 and £5000 with 52% between £10 and £100. Jefferys, J. B. "The Denomination and Character of Shares 1855-1885", Economic History Review, 16 (1946) 43.
45. Secretary of State, Wyoming, New Mexico, Colorado, Montana, Incorporation Records.
46. Spence, Chapter I.
47. Skinner, The Mining Manual, 1891, 1892. Estimated from Company Records.
48. Ibid.
49. Spence, Clark "British and Colorado Mining Bureau", Colorado Magazine, XXXIII (1956) 92.
50. JSRL, 184.
51. Papers, Meldrum Tunnel and Mining Syndicate, Ltd. GRO.

52. Company prospectus are at LSER. Stock Exchange Year Book, 1891.
53. Papers, St. Patrick Gold Mining Syndicate, Ltd. RCSC.
54. File #4804, Colorado Terrible Lode Mining Company, Ltd. CRO.
55. Ibid.
56. JSRL, 1896. Mining Year Book, 1898.
57. Papers, Diamond Hill Gold Mine, Ltd. CRO
58. Burdett's Official Intelligence, 1899, 1221.
59. Prospectus, The Montana Company. Bancroft Library Program of the Collection of Western America in Great Britain, 30.
60. The Statist, XXVIII, October 1891, 493.
61. The Investors Review, London, V 6 January 1895, 37.
62. Spence, British Investments and the American Mining Frontier, appendix.
63. Prospectus, The Carlisle Company, The Lady Franklin Mining Company, Bancroft Library Collections.
64. Jackson, W. Turrentine The Enterprising Scot. Edinburgh: University Press, 1968, Chapter Seven.
65. Spence, British Investments and the American Mining Frontier, 242-260. This figures out larger than the figure I have used which came from the totals listed on the individual papers at ESER.
66. Times (London) 14 June 1872.
67. Mining Journal 29 October 1871, 913 as quoted in Spence, British Investments and the American Mining Frontier, 46.

Chapter Eight: Swan Land and Cattle Company, Ltd.

The most significant Scottish company in Wyoming Territory was the Swan Land and Cattle Company, Ltd. On December 21, 1882 the Cheyenne Daily Leader noted this important event. "The sale of the cattle of the National Cattle Company, and those firms of Swan and Frank and Swan, Frank and Anthony, to a syndicate of Scottish capitalists, is nearly complete . . . The ranches of the three companies, which have been sold, lie adjoining one another, beginning on the Chugwater and extending along the Sybille, Laramie and North Platte Rivers. The cattle ranges as far east as on a line with Cheyenne to the north and as far west as Fort Steele." ¹

Scottish involvement in western ranches had been dramatic but never haphazard and this move had been well planned by the financial leaders in Edinburgh. John Clay, a familiar figure in the grass lands, was asked to report on the Swan holdings prior to any purchase. Clay was one of the few ranchmen involved in the investment and management field that recorded his experiences on paper. He indicated in his autobiographical work, My Life on the Range, that after several years and numerous experiences he had become disillusioned with the idea of the purchase by book count. Few ranchers, if ever, made a complete count of the cattle on the ranch. They knew how many they started with, how many had been sold, and how many calves were branded at each roundup. Thus by the process of simple arithmetic they knew approximately how many cattle they should have on the ranch. This was called the book count. In order to compensate for the normal losses a 10% annual

deduction was made thus arriving at an official tally. Unfortunately however, some unscrupulous owners would keep a duplicate set of books, one for their own records, and one padded with a high number of calf brandings in order to offer interested buyers a larger herd.

Clay not only refused to judge Swan's holdings but went so far as to warn those interested against accepting book count which was proving to be very unreliable for British purchasers. Clay's concern seemed to stem from his distrust of Alexander Swan, the principal seller. This is evident from his description of Swan: "He was vain and loved to do big things, with a dealous disposition and a somewhat overbearing manner with his neighbors and associates . . . The mercantile agencies rated him at a million, while I doubt, so far as the range is concerned, if he² ever owned an honest dollar".

Range inspection was carried out, however, by Thomas Lawson a Scot agriculturist; Colin J. Mackenzie, later Chairman of the Board; and George Prentice of Strathmore, also a later Chairman. They returned a favourable report and in 1883 a company was formed to purchase the Wyoming holdings. Lawson's report was of particular interest. His support was based on his own survey which anticipated "a solid block of land" as a base, and the presence of an estimated herd of 100,000, all but 5,000 located on the 4,500,000 acres of land controlled by the three selling companies. The stock was generally of good quality. Swan had upgraded his herd by the purchase of Hereford bulls in 1878 and³ nearly half his bulls were of high grade.

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George Prentice's report "generally corroborated" Lawson's. He

verified the 18,000 acres of land the Company was purchasing and he indicated that "if the numbers on the range are within 2,000 or 3,000⁵ of the book count, I consider the whole purchase a very fortunate one". Mackenzie's report was primarily concerned with potential operations and expansion.

The Swan Land and Cattle Company, Ltd. was capitalised at £600,000 with shares being offered in £10 denominations. There was £509,846 in paid up shares. James Wilson, a former merchant who was not generally involved in financial circles, played an important role both in forming the company and in their dealing with Alexander Swan. In November of 1882 he had met with Swan and his partners to discuss purchasing "the lands and tenements, passessory rights to land and tenements, water-rights, improvements upon lands, houses, barnes, stables, corrals, cattle, horses, and mules". The purchase price was to be £526,562 based on a guarantee that the cattle would "undoubtedly" number 89,167 and that as⁶ a proof of this a calf-crop of 17,878 could be expected in 1883.

The composition of the original company was decidedly Scottish.⁷ Colin J. Mackenzie was the aristocratic director of the organisation. William Anderson, an accountant and one of the few Glaswegians to be heavily invested in cattle, was Chairman; others were Hugh Beckett, the other Glaswegian who was also a director of Nobel's Explosive Company; Lord Douglas Gordon, London MP; James Shepherd a Kirkcaldy manufacturer; James Wilson; and Alexander Swan of Cheyenne. Swan was to join the Board when the purchase was complete and was to be retained as the American Manager at £2083 a year. The Articles of Association, drawn by Fraser, Stodart and Ballingall an Edinburgh firm who would remain as the Scottish

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solicitors, required each director to hold at least 500 shares.

Amasa R. Converse, Charles E. Anthony and Godfrey Snyder, the trustees for the American vendor accepted a total of 10,500 shares. Joseph Frank accepted 2,278 of these, Snyder 2,569 and Converse 2,517. Frank later purchased 2,484 of Swan's shares and developed the holdings in his own name to 5,813. Alexander Swan had filed for 10,000 but withdrew his application and 4,700 of these were taken by local Scotsmen.⁹

The Company was to have its headquarters at 130 George Street, Edinburgh. The firm of Corlett and Rosendale were the Cheyenne lawyers for the newly organised group; Messrs Bell, Beggs and Cowan of Edinburgh and Messrs Kerr, Anderson, Muir and Main of Glasgow were the brokers. The British Linen Company Bank of Edinburgh and London served as bankers.

The Swan Company lands ran from Ogallala, Nebraska to Fort Steele, Wyoming on the one side and from the Union Pacific lines north to the Platte. These had been the holdings of Alexander Hamilton Swan. Swan was "unquestionably the best known man in the early cattle business from coast to coast, and overseas." Born among the poverty of southwestern Pennsylvania he had moved to Iowa while a young man. He had run a small ranch near Greene Country. But Iowa was not the place he was looking for. He explained it later: "It was too tame for my ambitious nature and I longed for the more perfect freedom of a new country. My ambition was to rear and handle cattle, but the fond dream of my life was never realized until I reached the great grazing regions of Wyoming. There¹⁰ was enough room in Wyoming to satisfy my fondest ambition and hopes".

He moved to Wyoming in 1873 and located an estimated 3,000 head on the watered regions surrounding Chugwater Creek near Cheyenne. There, and on expanded ranges along the Laramie River, his herd grew in size and quality. In 1878 he had astounded the local citizens by importing two car loads of prime bulls, later to be a part of his famed Hereford herd. By 1879 he had developed an estimated 20,000 head. During this time Alexander Swan was proliferating companies as well. Most of this organisation took advantage of Wyoming's grass and free land, and most were developed on borrowed funds -- often Scottish funds -- with Swan using his Swan Company stock as collateral.

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There was the original Swan Brothers; Swan Brothers and Frank owned in connection with Joseph Frank a "Hebrew of fine talents and generous instincts, somewhat emotional but honest, loyal and sincere". They ran cattle on the Chugwater, Sybille and Laramie plains. He was also involved with The Swan and Anthony Land and Cattle Company, with partners Zach Thompson and Charles Anthony; the Horse Creek Land and Cattle Company; the Wyoming Hereford Association; the National Cattle Company on the Chugwater; the Ogallala Land and Cattle Company with headquarters in Nebraska and later controlled by John Clay; the Swan Brothers, Frank and Bernheimer; and the parent Swan Land and Cattle Company. As well Swan maintained a large farm in Indianola, Iowa and was operating with John A. McShane from the Bay State Cattle Company in the organisation of the Omaha Stock Yards. He incorporated, in 1884, the Warren County (Iowa) Bank with an investment of \$60,000. In addition he was a major force in the development of The South Omaha Land Syndicate

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formed August 30, 1883 with men like Colin J. Mackenzie. By 1885 they¹⁵ had an estimated evaluation of £2,375,000. In 1887 the Syndicate was further reorganised into the South Omaha Land Company capitalised at £208,334. Swan was a member of the Board of Trustees of this new group.¹⁶

The Edinburgh Courant, usually very sceptical and critical toward cattle companies, was well pleased with the Swan Land and Cattle Company, Ltd., by the end of the first year of operations.¹⁷ Capital had been increased to £750,000 in order to purchase, at 4s 4d an acre, 549,423 acres of railway land to give the Company additional control over grazing lands. Debentures rose from £225,000 to £279,000 and were issued in £10 denominations. These were checkerboard lands with alternate sections still carrying the rights of public domain and open to settlement. The new acres gave them land running in six townships and¹⁸ controlling all the water within. In 1883 they purchased the Bragg Ranch¹⁹ with its 5,000 acres on the Snake and Bear River.

Profits in 1883 were listed at £20,282 and a 9% dividend was declared out of bon a fide earnings. Lawson in the Stock Investor's Manual was impressed with Swan's business-like procedure. "Lately issued accounts of the Swan . . . company indicates that great progress has been made in the important, though often neglected, art of rendering²⁰ things intelligible to shareholders." In 1883 Swan, very confident, estimated herd growth and expected profits till 1890. He anticipated a net cattle growth from 96,935 to 169,195 with sales from £84,167 to £120, 625. This would indicate a 16% profit and dividend, a herd count²¹ of 8 3/4% and a land growth of 3/4 of 1% per year.

Table No.3Business Activities of Alexander Swan from 1880 to 1890.

<u>Name</u>	<u>Date (approx.)</u>	<u>Capitalisation (£)</u>
Swan Brothers	January, 1880	none listed
Cheyenne Driving Park Assoc.	1880	none listed
Swan & Frank Live Stock Company	February, 1881	136,300.
National Cattle Company	July, 1881	115,000.
Cheyenne Leader	October, 1881	1,248.
Swan Frank and Anthony Cattle Co.	August, 1882	147,000.
Ogallala Land and Cattle Co.	December, 1882	1,041,000.
Union Mercantile Company	May, 1883	25,333.
Swan Land and Cattle Co., Ltd.	March, 1883	625,000.
Wyoming Hereford Association	August, 1883	104,167.
South Omaha Land Syndicate	August, 1883	208,334.
Estimated Revaluation	December, 1885	3,400,000.
Cheyenne, Black Hills, Montana RR	November, 1883	2,083,000.
Union Stock Yards Company of Omaha	December, 1883	208,334.
Horse Creek Land and Cattle Co.	December, 1884	41,060.
Post Percheon Horse Association	August, 1885	208,334.
Cheyenne Land and Live Stock Co.	August, 1886	104,167.
Ogden and Hot Springs RR	1890	none listed
White Swan Mining Company	1890	none listed
Iowa Stock Yards	1890	76,000.
Swan Holmes and Company		none listed
Estimated capital stock/capitalisation		<u>(8,520,377)</u>
Listed capitalisation		5,120,377

Based on Incorporation Records at RCSC; Secretary of State for Wyoming,
Swan Papers.

The Company continued to grow and soon the Two Bar, Swan's original brand was joined by others; so many in fact that in 1884 they issued their own brand book. The brand book was a listing of the brands owned by a particular outfit so that cowboys could identify the variety of herds owned by individual companies. By 1882 the Wyoming Stock Growers Association issued its own brand book and within a few years County and State governments were issuing books. The Rehmeier Ranch along the Chugwater was purchased at £1,042 plus 6% per annum. The Muleshoe Ranch gave control of the Sybille as well and added another 1000 acres, some 8,000 cattle and nearly 200 horses at a cost of about £58,315.²² The same year the Clay Ranch, a Swan Brothers holding, was purchased at £1,042. Some of the weaker cattle had been shipped to feeder lots and these lands were used for hay. This was a process that Swan developed which proved to be most profitable. The cattle were collected into large pens and then fed the cut hay from the Swan properties. This process of final fattening was a means by which Swan was able to control the herd free from the much more risky business of pasturing them on open range until selling them. The herd had been improved as well by continued imports of English and Scottish breeds, the select buying of Midwest bulls, and careful cross breeding. One Illinois stud cost the Company nearly £4,200.²³ As well, expenses on the Wyoming spread, had proven cheaper. In fact they were the lowest working expense -- about 2 shillings per head -- of all the companies in America and half that of the Prairie Cattle Company, Ltd.²⁴

The Swan outfit was one of the few companies in 1883 showing a

Table No.4Abstract of Lands: Swan Land and Cattle Company, Ltd.

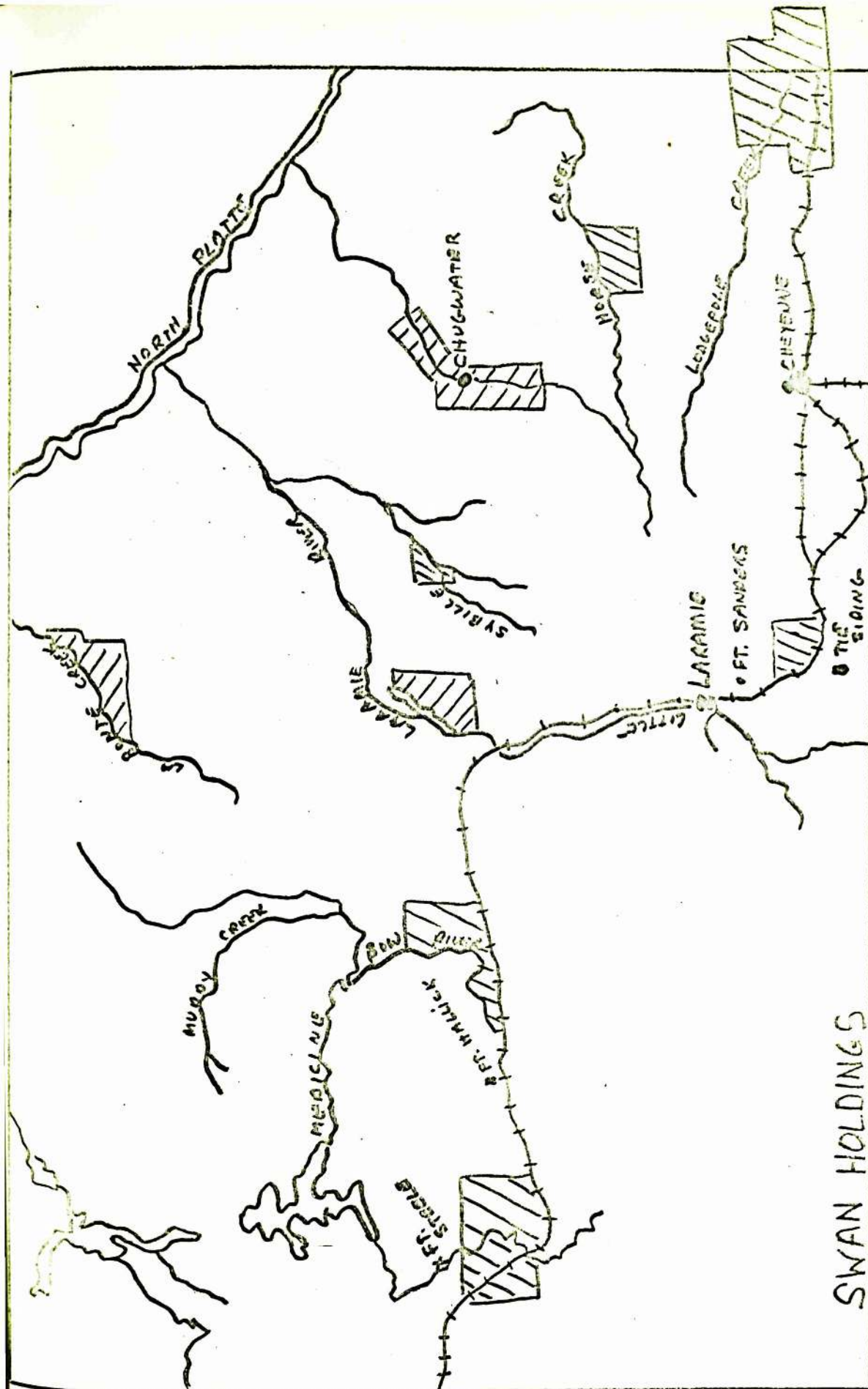
Titled Lands	19,311	
Desert Lands	26,726	
Preemption Lands	1,080	
Homestead Lands	160	
Timber Culture Lands	<u>961</u>	
		48,238
Railway Purchase		<u>577,809</u>
		606,047
Total Relinquished or Incomplete		<u>28,927</u>
		577,120

Based on the Memorandum in Reference to Land Titles on the Swan Land and Cattle Company, Ltd. 11 July 1887, Swan Papers, RCSC.

a gain. She reported a profit of £4,200²⁵ and some limited shares were selling in Edinburgh and Dundee at a 15 shilling premium. At the round-up of 1883 Alexander Swan, as the American Manager, reported to the Board that 17,932 calves had been branded thus supporting the book count of the previous winter.²⁶ "Thus shareholders have prima facie evidence²⁷ of getting what they paid for" wrote W. R. Lawson. In 1884 Swan also had a good year paying a 10% dividend on a profit of £40,018. Receipts of sales on 8,400 cattle rose nearly £84,000 and the calf brand increased²⁸ to 21,000.

In that year the Company purchased H. B. Kelly's interest on the Chugwater for a reported £52,000. Hi Kelly had once owned a fair portion of the Swan holdings. From the California gold rush in 1849 he had been involved in a series of freight and stage lines before settling in the vicinity of Fort Laramie in 1864. He had sold both his original brand, and a later ranch on North Crazy Women's Creek, to Swan for a good profit. Kelly had gone to Scotland for his last, and probably most profitable²⁹ sale.

These were good years on the Swan Company ranches. Years when Alexander Swan's reputation was growing and when the hint of Scottish ownership was far less a burden. As an outfit to work for they were considered one of the best. They would "butcher a beef about every third day, served plenty of potatoes, beans, canned goods -- about three kinds of canned goods -- and three kinds of dried fruit, all washed down with plenty of good coffee . . . Rice and rasins were



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cooked together for desert when the cook did not make suet pudding".

By the winter of 1885 things were looking somewhat less optimistic. In mid-1884 the Swan Company was reported to have 109,800 head running
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on land controlled by the Company. By Spring estimates were at an all time high ranging from Swan's own estimate of 120,000 to that of the
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Economist at 123,000. But it was a bad winter and while some companies tried to hide it, the winter had cut into the herds. The extreme colds of Wyoming's southern ranges was used by Swan to explain the small calf crop of 20,236 reported in 1885. The figures indicated that only 40% of the female stock was breeding. But the loss was really larger because some 3000 head of well aged and matured marketable steers could not be found and eventually had to be taken from the books. Overstocking of pressed ranges also caused tremendous losses of live stock in that
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year, even though the Company reported it was holding 578,862 acres. Over 11,000 Texas steers which had been turned out on the ranges for fattening on Swan land had suffered a loss of all but 481 during that
34
year. There were rumblings that "Pappy Whitcomb" and "Hi" Kelley's herds, purchased during the recent year on book count, were the source
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of the discrepancy.

The land restriction scare of 1885 was met by Swan Land and Cattle
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Company, Ltd. by action. Raising money by issuing 5,880 £10 preferred shares at 6% and increasing debentures to £291,540, they paid £60,000 to the Union Pacific in order to take immediate possession of the 549,423 acres they were purchasing. They acted on the assurance that any laws which might be passed against alien ownership would not be

retroactive. They promised the shareholders that "they had carefully
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 followed the laws of the United States and were in no danger". The
Edinburgh Courant warned the Scottish investor in a long article that the
 signs were increasing that the American President was going to open en-
 closed lands by force if necessary and that companies relying on alternate
 38
 sections would be in trouble.

In March of 1886 capital was raised again, this time to £900,000
 by issuing 15,000 6% preference £10 shares. It was partly due to Company
 losses estimated at £27,112. The loss of cattle for the year covered
 was 10,371 only 4,800 of which had been sold. This represented a loss
 of about £26,500. Interestingly the same report declared a £35,910
 39
 reserve fund based on the increased value of the herd.

The report of the Company on March 17, 1887 was composed mainly of
 an excuse for the poor count. No dividends were paid. The report also
 raised suspicions which were alarming to those involved. "Diminished
 sales and smaller calf brand raise the important question: Do the
 numbers of cattle on the books tally with the number on the range? . . .
 The annually recurring failures to gather the expected number of mature
 steers, and the reduced calf brand, imply that some shortage still
 exists, not sufficiently provided for by previous deductions, and the
 Directors hope, during the present year, to be able to ascertain its
 40
 extent."

In May of 1887 Alexander H. Swan was in Scotland. His mission
 was of two parts. One was to attend the annual meeting of the Swan Land

and Cattle Company, Ltd. Swan had come under considerable fire in Scotland and was anxious to use his personal appeal to smooth troubled waters. The second mission was to raise the capital for yet another corporation, the Iowa Land and Thoroughbred Live Stock Association.⁴¹ It was while he was in Scotland that the bubble began to burst. The reasons for his failure were to be the sounds of death throughout the grass lands.

Apparently with usual carelessness Swan had failed to cover a \$5000 debt he owed as cosigner for T. L. Drimmie of Davenport, Iowa. Drimmie had failed to meet his payments to the German Savings Bank of Davenport and they sought Swan to cover the amount. When repeated efforts to collect from Swan were unsuccessful they sued him for the amount.

The Swan Brothers, now consisting only of Alexander and Thomas Swan and in operation in Iowa, were the first hit. Word was out that Swan could not pay his debts and those holding his credit began to panic. A run on the firm resulted which quickly jumped to the Wyoming holdings. Swan's empire, and with it much of Wyoming's economy which relied on it, were in trouble. As is usually the case with large investment dealers Swan had most of his wealth in long-term investment paper and the demands for cash and immediate payments pushed him beyond capacity. Before he could return to Wyoming his credit was gone and his reputation damaged.⁴²

The exact nature of the relationship between Thomas Drimmie and Alexander Swan is very hard to determine but it is important to our investigation here. The failure of Swan and the full impact of the Drimmie suit is more complex than it at first appears. The connections

between Drimmie and the Scottish forces which opposed Swan are to obvious to be pure coincidence. Thomas Drimmie was one of the original share-subscribers of the Missouri Land and Live Stock Company, Ltd. incorporated in 1882. He shared this interest with James Tait, Swan's major antagonist, as well as George Ballingall, G. T. Stodart and William Fraser. All these men were also associated with the Swan Land and Cattle Company, Ltd.⁴³ Fraser was a good friend and supporter of Robert Urquhart, then working in the Swan Company office in Cheyenne. Urquhart served as chief informer on Swan's activities. Several letters from Urquhart to Fraser, and reports by Urquhart filed in the Swan Company records, indicate a unified effort to both discredit Swan in the eye of the Scottish investor and to limit his growing financial interests. Just what this effort was and how far Drimmie was involved is impossible to ascertain, Swan had indicated suspicions of such a move and it seems well enough documented to indicate he was not groundlessly afraid.⁴⁴

Cheyenne newspapers made the announcement with as little notice as possible; the Cheyenne Leader simply reported the bankruptcy.⁴⁵ But the Scotsman with less kindness and more concern, announced it with a full column article "Swan Brothers, So-Called Cattle Kings of Wyoming, has Suspended Payment". Adding that "Scottish capitalists, already concerned over the shortage of their herds, refused to come to the aid."⁴⁶ Every effort was made to disassociate Swan's personal failure from the larger corporation that had his name, but a £90,000 loss could not be avoided as the effect was felt. Shares in Edinburgh fell sharply from £2.2 to 30 shillings. They rose again to settle at £2 but much of

the faith was gone. An additional £1 on the shares was called up. ⁴⁷

The loss in Scotland was minor compared to the general demoralisation caused by Swan's failure. This was compounded by the growing realisation of a shortage in book count which was being placed at Swan's door. In July of 1887 the news broke. Swan was to be dismissed as American Manager of the Swan Land and Cattle Company, Ltd. and was being sued, through Joseph Frank, for £168,000. "The Scotchmen claim they were swindled in the original purchase" reported the Cheyenne Daily

⁴⁸Leader. The Scottish Banking Magazine reported that only 7,000 calves had been born since the purchase of the Company, far below the number

⁴⁹recorded by Swan, but this seems a little harsh. Swan was dismissed in a cloud of suspicion with the suggestion that he had used £1500 of the Company's funds for his own needs. ⁵⁰The Breeder's Gazette to which John Clay was a contributor, gave the whole grisley story of the short count and the banking failures in Cheyenne surrounding Swan's bankruptcy. ⁵¹

Swan's report for 1886 had laid heavy blame on the winter of 1886-1887. The loss, when combined with falling prices, had meant no dividends. The winter had been a convenient scapegoat for the Midlands rancher and was played to the hilt. There is no doubt that it was a winter of tragedy for the herds, even though it was not nearly as bad as it is remembered; and not as bad in Wyoming as in many places. Dr. T. A. Larson has shown in a rather detailed study that there was a probable 15% loss in Wyoming even though the tax reduction was 30% to account for emaciation. ⁵²

Swan was charged with mismanagement, "juggling" the books, and

lack of interest. The Directors were particularly concerned with the first calf count back in 1883 which had been so heralded as proof of the herd size. Repercussions from this lack of faith in the book count, as well as in Swan, hit the Scottish shore as a strong case of realism. The confessed losses of £301,000 in 1887 by the Swan Company were shared by near equal losses in the Powder River Cattle Company, Ltd., and less, but substantial losses in Western Ranches, Ltd.

Finlay Dun, Secretary of the original Company, was appointed as the American Manager in May of 1887. Dun's responsibilities were numerous and his qualifications for the American management were limited. His job was to establish a successful case against the vendors and to try and save what was left of the Company. In a series of letters to interim Secretary William Fraser, Dun outlined the Company's position. Nothing less than their financial solvency and their business reputations were at stake. Dun's appointment was probably unwise because of his lack of experience in the American situation but the feeling was strong in Scotland that they wanted their own man on the ground.

The role of the ranch manager was one of mixed blessings. In many cases ranches purchased from American vendors were managed by the original owners who stayed on to direct the firm. Often it was necessary to hire managers from the ranch personnel who were locally familiar with the business. However, it was the custom of many Scottish firms to have their own man on the job -- often as manager -- in a capacity to keep an eye on the activities. Some cattle companies resorted to another method; that of sending out younger relatives of the directors for the purpose

Table No. 5Swan Land and Cattle Company, Ltd. Breakdown of Activities.

<u>Year</u>	<u>Herd</u>	<u>Calf Crop</u>	<u>Sales</u>	<u>Average Price (\$)</u>	<u>Dividends</u>
1883	109,800	19,334	8,383	40.40	9%
1884	121,211	21,428	8,400	40.67	10%
1885	123,460	20,236	9,600	36.62	6%
1886	124,610		4,800		0%
1887	56,856	8,943	5,676	29.43	0%
1888	50,000	10,891	5,087	35.24	0%

Swan Land and Cattle Company, Ltd. Papers.

of "innocent environment" but more often to keep an eye on the workings⁵⁴ of the firm and to provide an alternative source of information.

The conflict between the investor and the manager was a basic one with the on-the-spot, but short-ranged view, in conflict with the distant but more long-ranged view. There is little doubt, however, that Scottish investments paid off far better with those outfits that had good managers and in most cases, the concept of good manager meant Scottish manager. This was true of the Matador, the Aztec Land and Cattle Company, the Bay State Land and Cattle Company, the Espuela Land and Cattle Company and the White Deer Company to name a few. While it came too late it was true also of the Swan Land and Cattle Company when John Clay assumed management status.⁵⁵

Dun's success during his short period as Manager was in the areas of land settlement. During this time he managed to secure definite proof for the majority of land titles. He discovered most to be sound, but there were about 16,500 acres, primarily on desert land entries, that were unclear. The reports submitted from June of 1887 to late August of that year are full of the efforts to secure full title. This often required Dun to work with Swan's old friends who had filed land claims for him.⁵⁶

The cattle count, considered essential, was not as successful. The determined Scot was not put off by the size of the herd and started the process of trying to rebrand the herds with a paint streak. Before long it became obvious, even to Dunn, that the mark was being worn off faster than it was being counted. The Board insisted on an outside count and

they selected James C. Johnston who took over in July. Johnston later became Chairman of the Board of the Swan Land and Cattle Company, Ltd., as well as Manager of the Prairie Cattle Company, Ltd. He took the count using a western estimation method which assumes a herd to be five times its calf count. Dun had reached a total of 29,008; Johnston's estimate was 37,400.⁵⁷

Dun's real failure, however, was his inability or unwillingness to separate himself from Swan's old friends and habits. When he returned to Scotland in the Autumn he was aware that he had steadied the Company somewhat, but that he had not saved the situation. By now the write-off in lost cattle was amounting to nearly £336,000 and something drastic was required. In May of 1888 John Clay was appointed as the American Manager and the new broom began to sweep.⁵⁸

Clay's appointment brought changes as those at home faced the situation. Shareholders in 1888 saw their £7.2 ordinary share wither to £2.6.6 but also had to face the burden of paying off terminable debentures of £234,532. This plus an expected call of from 16 to 20 shilling per share could explain, according to the North British Economists, why the £7.2 shares were selling from 3d to 1 shelling.⁵⁹

The largest shareholders were Alexander McNab also a major underwriter for the Espuela Land and Cattle Company, with 6,250 shares and Frank, Swan's original partner, with 5,833. Interestingly enough Lord Gordon had just 625, William Menzies 136 and Alexander Swan only 1,926. The shareholders were primarily from Dundee and Edinburgh but included a group from Aberdeen, as well as shareholders from Butte, Montana to Hong Kong.⁶⁰

The open range policy, far out of tune with the changing times, was to occupy Clay's attention as well as his concern over the operational economy. Prior to any major changes it was necessary to try and strengthen what they had. The selection of John Clay as Manager was one more example of the care with which the Scots selected their personnel. Clay represented capital as well as range management. And despite their claims to the contrary the Swan Company was in trouble; in fact in early 1888 it was close to bankruptcy. The assets of around £460,000 were greatly overvalued while the indebtedness secured on uncalled capital was £314,000 and was rigid. Their cash on hand in Cheyenne was less than £210 and they had a £250 overdraft on their Chicago bank. Through Clay's connections with Lyman Gage of the First National Bank of Chicago a £16,000 advance was secured to cover the expenses and allow them time to repair the Company.⁶¹

Clay underwent an economy move to match the loan. The headquarters at Chugwater was consolidated, closing the Cheyenne office. The labour force cost was cut from over £11,000 to less than £5,000. There was little he could do, however, about the fact that the ranging lands, so unquestionably counted on for pasture, were being eaten up by settlers and the fenced pastures of small ranchers.

The buying of control land was impractical. The public at large and their more official representatives were growing upset at the amount of public land that was being closed and the pressure, both on the local level and in the courts was becoming harsh. William Andrew Sparks, the Commissioner of the General Land Office, was pushing a one man campaign to clean up the land ownership and control conditions

in the Midlands. Cattle companies had grasped the range wherever they could find it and when they were forced into control they purchased water-rights or land adjacent to a stream in hopes of controlling it, but seldom did they invest in acres of sagebrush. Now, forced to bid against homesteaders the control of the land would have meant vast purchases costing amounts that were far in excess of available funds.

In addition the available area in Wyoming, it was suggested, would soon be as scarce as it was in Colorado and Nebraska. Commissioner Sparks was pushing land surveys based on his own interpretation of the use of land. The Wyoming Daily Sun in 1887 had reported the cattleman feelings toward this: "Thou shalt have no other gods than William Andrew Jackson Sparks and none other shalt thou worship. Thou shalt not raise cattle upon the land, neither sheep nor any living thing but corn the same as in the State of Illinois."

Again in 1888 it was necessary to reduce the cattle count; this time from 56,815 to 50,000 and even this figure was questionable. But Clay was a good organiser and the situation began to improve. With the help of Al Bowie, another Scot and range foreman, he developed a feeding scheme. Feeding had been a problem during the dry period but they now were finding this an asset. Clay rented out ranches on the basis of hay stacked, the cost of which was returned as a fee for wintering Swan cattle. Their hay production went up ten to twelve tons a year. Swan Company began to develop a reputation for feeders. Mr. Shepperd, a large stockholder visited the ranch during this year of operation and reported that it looked to be in good shape.

"Now riders had work the year round" said Swan cowboy A. S. Gillespie. "Soon after the last of the shipments was made in the fall and all the calves branded, they would round up the cows and wean the calves. Generally they would winter the bulk of the calves at the Rock Ranch which was down near Torrington on the North Platte River. The riders would be taken off and distributed among the different ranches to pitch hay out to the cattle. In the winter they would keep riding through the she stock, and any animal that were not keeping up flesh while grazing would be cut out and taken to a ranch where there was hay." 66

In Edinburgh these moves were seen with mixed emotions. No dividends were paid in 1888 and the price of shares on the market had dropped to 5 shillings. Things seemed to be growing progressively worse. Yet despite all the emerging financial problems the Statist suggested that cattle companies, particularly the Swan Company of Wyoming and the Prairie Company of Texas, were still good investments. 67

Capital calls were made in 1891 for 20 shillings but these were not secured. Finally in 1892 readjustment was necessary. The capital was restated at £315,000 writing off £8 on £10 shares reducing the ordinary capital to £150,000 in paid up shares, a loss of £460,000. Further steps were taken. Shareholders were called upon to pay the uncalled balance of their shares. While this was happening another 10,000 book count cattle had to be summarily disposed of. In addition, on Clay's advice, 283,226 acres of land once belonging to the Carbon Company Railroad, was allowed to revert in order to avoid a £32,000 payment that was due. 68

Clay continued on as Manager until 1896 when he resigned. The Director's report simply says "During Mr. Clay's seven years of energetic management, the position and prospects of the company have steadily improved. But the rapid extension of his own business necessitates his limiting his outside work, and he has resigned the Management." 69

After his "retirement" the management went to Al Bowie but the Company was directed, to an extent never tried before, by the Board in 70 Edinburgh. The Company prospered paying nearly £110,000 in dividends from 1898 to 1912. The Swan Land and Cattle Company, Ltd. ended its corporate existence in voluntary liquidation on March 10, 1926 reporting to have paid an average of 6% per annum over its 43 years of operation. 71

At that time it was reincorporated in the United States as a Delaware firm, incorporated under the title with John Clay as the President of the new Swan Company. In 1947 all but Home Ranch at Chugwater was sold and the Company was liquidated on the 27th of November 72 in 1952 with £2.16.11 per £2.1.8 share returned.

Chapter Eight: Notes

1. Cheyenne Daily Leader 21 December 1882
2. Clay, John My Life on the Range. Norman: University of Oklahoma Reprints, 1962, 50.
3. Lawson, Thomas "Report on the Swan Ranches and Cattle", (December 1, 1882) Swan Collection.
4. First General Meeting, Swan Land and Cattle Company, Ltd. 30 July, 1883, Swan Collection.
5. Report of the First General Meeting, 3 July 1883, SP:RCSC
6. Swan Land and Cattle Company, Ltd. v Frank et al. U. S. Reports, Vol. 148 (October Term) No. 150. New York.
7. Clay, 194.
8. Prospectus, Swan Land and Cattle Company, Ltd., ECRO. Report of First Annual Meeting, SP:RCSC. Edinburgh Courant 17 March 1884.
9. "Abstracts and Allotment of Shares and Stock Registers, 1883-1887", SP:RCSC.
10. Charles G. Coutant's unpublished articles on Wyoming in WAH. Copies of Wyoming Questionnaires, WAH.
11. "Abstracts from Allotment of Shares and Stock Registers, 1883-1887", SP:RCSC.
12. The brothers were Henry and Thomas (Black Tom). Also included were his nephew Will F. Swan (who with Henry started the Ell Seven Ranch), cousin Thomas (Red Tom) and Lon and Obe (Obediah) who started a ranch at Warm Springs, Wyoming.
13. Clay, 51.
14. A. T. Hay Collection, Iowa State Department of History and Archives, Des Moines, Iowa.
15. Russell Thorp Letter in Swan Collection at the University of Wyoming Library, Laramie.
16. Swan Collection: WWHC
17. Edinburgh Courant 17 March 1884. Times (London) warns against Swan's holdings, 11 November 1883.

18. General Land Office Records, National Archives, Roll 1,2,3 (part I) NIS, 15g, available WAH.
19. Neiman, Charles "The L7 Ranch", Colorado Magazine, XXIII (1946), 107.
20. Lawson, W. R. The Stock Investor's Manual. William Black and Sons, 1884, 67. Annual Reports, SP:RCSC.
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22. Pelzer, Louis The Cattleman's Frontier. Glendale, California: Arthus Clark Company, 1936, 132.
23. Breeder's Gazette 28 February 1882, 14 June 1883.
24. Edinburgh Courant 17 March 1884. Swan, SP:RCSC.
25. Reports from the United States Consuls, No. 92, 204.
26. Swan Land and Cattle Company, Ltd. v Frank et al, 438.
27. Lawson, 1884, 68.
28. Annual Report (March, 1885) Swan Land and Cattle Company, Ltd., 1883-1912, 140. SP:RCSC.
29. Schatz, August Longhorns Bring Culture. Boston: Christopher Publishing House, 1961, 263-264.
30. Gillespie, A. S. "Reminiscences of a Swan Cowboy", Annals of Wyoming, (October, 1964) 200.
31. Scottish Banking Magazine 5 July 1884, 8 March 1884. Andrew Ogilvie and Company, Dundee stockbrokers estimated a herd of 123,460 in their 1885 report on British owned cattle companies in the United States in 1885. Comparative Study of British Owned Cattle Companies in the United States, RCSC.
32. The Economists 5 March 1886.
33. Brayer, Herbert "The Influence of British Capital on the Western Range Industry", Westerners Brand Book, Denver (May, 1948) 95.
34. Smith, H. H. "The Rise of Alex Swan" The American West, (August, 1967) 24. Swan, SP:RCSC.
35. Some felt Whitcomb had had his reward when one summer at Moorecraft he was struck dead by lightning. Sandoz, Mari The Cattlemen. New York: Hastings House, 1958, 401.

36. The Economist 29 August 1885.
37. 3rd Annual Report (March 12, 1886) Swan, SP:RCSC.
38. Edinburgh Courant 25 August 1885.
39. Stock Exchange Year Book, 1887. Clay, 190-200.
40. Annual Report (March 17, 1887) SP:RCSC. Clay, 192-199.
41. The expected investment was nearly £18,550. Mr. Swan's Inventory and Report of M. Fisher, Des Moines: 22 July 1886, Swan, SP:RCSC.
42. See Smith, "The Rise and Fall of Alex Swan". No Swan personal papers have been located other than the brief material listed in Wyoming Questionnaires at WAH. Kansas City Livestock Indicator 19 May 1887. Northwest Live Stock Journal, Cheyenne.
43. Prospectus, Missouri Land and Live Stock Company, Ltd. LSER. Prospectus Swan Land and Cattle Company, Ltd. RCSC.
44. Report of the Third Annual Meeting, Letter, Robert Urquhart to William Fraser 19 April 1886; Robert Urquhart Reports 1885-1886, all in the SP:RCSC. Drimmie did support Swan in the 1886 meetings, however, and voted that he be retained as manager.
45. Cheyenne Daily Leader 16 May 1887.
46. The Scotsman 19 May 1887.
47. Ibid., 19 May 1887. Scottish Banking Magazine 1 November 1887.
48. Cheyenne Daily Leader 16 July 1887. The Weekly Leader though it sufficient to run a small item indicating Swan was being sued for 3/4 of a million dollars, 21 July 1887. After his failure in Wyoming Swan moved to Utah where he became a land promoter, but failed again.
49. Scottish Banking Magazine 1 November 1887 indicated that from 1883 to 1886 Swan had reported over 70,000.
50. Ibid., 5 September 1887.
51. Breeder's Gazette 28 July 1887. The First National Bank closed in 1887 as a result of Swan's failure.
52. Larson, T. A. "The Winter of 1886-87", Annals of Wyoming (January, 1947), 5. Tax Valuation Rolls show 900,000 head assessed in 1886; 750,000 in 1887. There is a real discrepancy between figures reported.

53. Clay himself gives no explanation for Swan's failure other than his preoccupation with his own fame; D. Fright, H. H. Smith seem to agree that it was the bad winter of 1886-87 plus mismanagement. Mari Sandoz in a conversation with the author shortly before her death, suggested it was the Scots fault. This is in keeping with her general theory of the evil of foreign investments. Also see Report of U. S. Consul, No. 92, 204-206.
54. Clements, Rover V. "British Controlled Enterprise in the West Between 1870 and 1900, and Some Agrarian Reactions", Agricultural History, Vol. XXVII, (October, 1953) 134. Archibald J. Majoribanks, youngest son of Baron Tweedmouth served in this function for several years at the Rocking Chair Ranch. During this time he failed to detect the dealings of the manager who finally succeeded in nearly wiping them out. According to report of Tinkler, Estelle "History of the Rocking Chair Range", Panhandle-Plains Historical Review, Vol. 15, No. 19, 29, 75.
55. Gressley, Gene M. Bankers and Cattlemen. New York: Alfred A. Knopf, 1966, 247-248.
56. Gillespie, 202-205.
57. "Report on Cattle by James C. Johnston" (October 15, 1887) SP:RCSC.
58. Clay, 203-205.
59. Quoted in Scottish Banking Magazine February, 1889. Stock Exchange Year Book, 1890.
60. Shareholders list for 1887, SP: RCSC.
61. Inventory and Evaluation, Swan, SP:RCSC. Clay, 209-210.
62. Gressley, 148-149.
63. Dick, Everett The Lure of the Land. Lincoln: University of Nebraska Press, 1970, 226, 237.
64. Clay, 216, 217.
65. The Economist February 1889, 34.
66. Gillespie, 202.
67. The Statist 22 September 1888.
68. Annual Meeting, 1893, SP:RCSC. Clay, 217-219.

69. Report of Shareholders 3 March 1896 SP:RCSC. Clay, in his autobiography of the range says he was forced out, that is, they did not renew the contract, 219.

70. It is difficult to evaluate Clay's contribution since the only detailed account is Clay's own record of these eight years. But the other sources seem to credit him with being perhaps, the man who saved the almost ruined Swan Land and Cattle Company, Ltd. Clay's later accomplishments as a broker and company director indicates that he was a man of ability.

71. Brayer, Herbert "When Dukes Went West", Westerners Brand Book (Denver) May, 1948, 76. Stock Exchange Year Book, 1928, 1968. See Frink, Jackson, Springs When Grass Was King. Boulder: University of Colorado Press, 1956, 310. I find this hard to believe. He (Brayer) seems to have ignored the \$450,000 or so loss plus the many years that only a 2 or 3% dividend was paid. Swan only averaged 1 1/2% the first decade. I would assume from the figures available that the Swan Company lost money for its subscribers.

72. Frink, Maurice Cow Country Cavalcade. Denver: Old West Publishing Company, 1954, 50-51. Russell Thorp to Author. Stock Exchange File of Defunct Companies, 477.

Chapter Nine: Other Cattle Investments in Wyoming.

In the beautiful Sweetwater country near Rawlins was located the Seventy-One Quarter Circle Ranch owned by John T. Stewart of Iowa. In July of 1882 John Clay was asked to inspect the range near Devil's Gate which was a part of the Stewart ranch. Clay had met Stewart some years earlier when they had shared a lunch basket on the train west from Council Bluffs. The ranch area was large and apparently well stocked. It was a fine herd made up mostly from Oregon and Washington stock, big-boned and durable, and the calf count was recorded as being very high. Stewart's cattle was drawing £1.9.2 per hundred in Chicago¹ which was an indication of excellent beef. After a three day inspection trip Clay submitted a favourable report and operations were soon under way to incorporate what was to become the Wyoming Cattle Ranch Company, Ltd. with headquarters in Edinburgh.²

Just a month before fourteen men had met in the offices of Graham, Johnston, and Fleming, Edinburgh lawyers, to request the investigation. They had in mind the creation of a company for the purchase of the ranch. William Menzies acted as Chairman and was an early supporter. As well there was Thomas Nelson, publisher and member of several major boards including the Scottish American Investment Company, Ltd., Archibald Coats of Messrs J. and P. Coats, thread manufacturers, Alexander Gibson, G. M. Paul of Messrs Dundas and Wilson, Andrew Thompson a timber merchant, James Ford of Leith, James Duncan Lawrie of Lawrie and Kerr Stockbrokers, and Mr. Gifford of the National Bank of Scotland. Also included were the partners of the law firm in whose office they met, J. S. Tait of Edinburgh

and Chicago and a considerable voice in the cattle business, and Alexander Majors of transportation fame of Cheyenne. These men pledged themselves to forming a company to purchase Stewart's property if the investigation supported it.³

On Clay's favourable report the Company moved ahead. It was registered on the 28th of August in 1882 with a capital of £200,000 in £10 shares; £124,000 was subscribed and £70,210 paid up. The purchase was to be for £80,000 and was to include an area of 2,560,000 acres in Sweetwater and Carbon County, Wyoming. They accepted on book count a herd of 19,000 improved cattle, 150 saddle and work horses as well as all the dwellings.⁴ This great bargain, prospective shareholders were informed, was possible only because of the death of Stewart's ranch manager and the press of his other business in Council Bluffs. The American owner did keep a very interesting deferred interest clause which provided that after the shareholders had received a 12 $\frac{1}{2}$ % cumulative annual dividend, plus the repayment of their initial investment, 3/8 of the assets remaining, provided a total cattle count of 55,000, should return to Stewart.⁵ Optimism was running very high.

Capital was divided into 20,000 shares with the first issue totaling 9,000. Directors were required to own 100 shares each and the Company retained the first lien privilege on member shares. By the 14th of December, 1882 the first issue, with paid up shares selling at £7.10, went out to the stockholders. The largest stockholders were James Duncan Lawrie 400 and Alexander Gibson 650: Both of these men were to serve on the Board. Archibald Coats held 1300, Alexander Fleming 400, and James Ford of Leith 680. All of these were original backers. At this time there

Table No.6Comparison of Cattle Evaluation per head in the Midlands: 1883-1889.

<u>Year</u>	<u>Wyoming</u>	<u>New Mexico</u>	<u>Colorado</u>	<u>Montana</u>
1883	23.46	19.26	26.95	25.10
1884	26.15	20.01	26.47	26.16
1885	25.00	18.00	25.95	22.08
1886	22.95	17.87	22.20	23.10
1887	19.11	15.04	19.93	19.21
1888	19.59	13.48	20.00	21.82
1889	14.98	11.25	16.77	17.24

United States Department of Agriculture, Bureau of Statistics, 1889.
Washington, GPO.

were only 65 shareholders and never, during the life of the Company,
⁶
 were there more than 135.

The grandest possible build-up was provided and expectations for both the Company and Wyoming were high. The ranch was bound to be a successful venture because of the "extraordinary healthiness of the range . . . a great abundance of permanent water . . . amplitude of shelter . . . sufficiency of the most nutritious grasses and . . . a low mortality rate (from 1% to 5%)". Besides "the locality of this Rancho was, until lately, the favorite winter range of the Buffalo, Deer, and Antelope, whose unerring instinct secured here every requirement of a natural home, viz a pasturage relieved by the shelter of hill, bluff and canyon from the winter storms, an extraordinary dryness of climate, which neutralized the cold of the severest seasons, and an abundance of rich standing grain-like hay (the grass cured by the long dry summer), throughout the entire winter months".
⁷

But trouble was obvious almost immediately after the sale was settled. An initial adjustment was made diminishing the book count from 19,000 to 15,000 as it became apparent that there was less cattle than originally expected. The early figure had been guaranteed by a letter from Stewart saying there would be a calf brand of 4,000. As it developed the calf brand for the first full year of operation was only 2500 and indications were that the beeves were seriously short. David Street, the Company's American Manager, reported these suspicions to the Board. It was felt that prompt action was necessary and Street, as well as J. C. Tait and Alexander Majors -- promoters -- were released

and John Clay given control with orders to seek a claim for shortages through Stewart. The Iowa grocer refused to accept any responsibility⁸ for the shortage.

The impending legal battle did not solve the immediate problem of the non-existent herd. In 1882-83 a 6% dividend was paid, probably out of capital, but while a 7% dividend was paid the following year the share price had dropped to 35 shillings. By this time the 12,410 shares that had been sold were in the hands of 52 stockholders, the first issue calling up £7.10 on a £10 share; the second issue only a⁹ pound.¹⁰ During the critical roundup of 1884 trouble developed on the ranch over wages. John T. Gatlin was acting as ranch manager and foreman at the time when the Autumn roundup of the Powder River district got under way. In September Clay met the group near Rock Creek, the shipping station, and the cowboys demanded wages paid through December rather than waiting as was the custom. When the demand was refused all but two quit. They were, Clay remembered, "a real simonpure, devil-may-care, roistering, gambling, immoral, revolver-heeled, brazen, light-fingered lot"¹¹ and trouble was expected. But an all night vigilance prevented any outbreak and the hard core took their pay and left. Gatlin, who was unable to control the men, was replaced by James Craig as¹² Manager.

It had taken nearly a year for Stewart's case to come up before Judge Dundy in Lincoln, Nebraska. The time was January of 1885. In due course it was ruled that the calf count guarantee was a part of the contract and, after a long trial, the jury voted that damages were due. "Being a foreign corporation" Clay reported, "the jury were naturally

against us, but the evidence, more especially of the defence, was in
¹³our favor". Clay believed, with some justification, that the territorial laws and the local judges were often aimed at controlling the foreign firm. This was considered to be even more true of those men who made up the juries in such trials. A considerable wave of anti-alien ownership swept the West in the 1880's and was often enacted into law by states and territories that were frightened by the British control, and apparently antagonistic over their successes. The Federal Land Act of March 1887 is but one example of this feeling enacted into
^{14*}law.

Damages of £12,040 out of the requested £33,000 were granted. By the time an appeal had been held, and the Supreme Court confirmed, the Wyoming Cattle Ranch Company, Ltd., with interest, received a little
¹⁵over £15,000; less than a third of their estimated loss.

John Clay stoutly maintained, as one would expect, that he had not been taken in on the deal with the Iowa vendor. There is much to support this, namely that the decision had already been made in the Edinburgh office to buy on book count. Clay had warned that accepting on book count was unwise and dangerously speculative, "you can sometimes win at fargo . . . speculate on the Stock Exchange, bet on a horse race
¹⁶. . . but a book-count deal in cattle has always proved disastrous!"

Also trust shown to Clay in later years must lend some weight to the fact that he had not been blamed. Yet Clay had seen the range and was

* See Chapter 11 for a discussion of this anti-alien feeling.

to judge the condition of it and the cattle. He had taken as truth, and apparently passed it on as fact, Stewart's comments on the size of the 1881 calf crop which was claimed at 2,800. But even more confusing, coming from a man of his experience, was his passing on the range. As it was, the valley was drab and lifeless and the fine grasses on the mountain sides were inaccessible in the winter and sheep infested in the summer. These are facts which he notes in his memories of the range as he describes the area, but ones he did not note in his report to the Company.¹⁷

Despite sales at a high price of 19s 5d per hundred weight in Chicago they were just not making it. Late in 1885 an additional £4 was called on the second issue shares but this was a last ditch attempt¹⁸ and liquidation was being considered. In the following year the Wyoming Cattle Ranch Company, Ltd. was finished with operations, the size of its loss being somewhere near £100,000.¹⁹ Voluntary liquidation²⁰ was entered in March of 1894 and all business was completed in 1897.

Of the survivors of the Scottish boom of the 1880's only one company had anything like a near perfect record in the payment of dividends, and this was the Wyoming-Dakota company Western Ranches, Ltd. This company, a part of what is known as the Menzies group in Edinburgh, had started off with a rather shaky beginning. The ranch area under consideration was the VVV Ranch owned by Duncan Plumb of Ontario, Canada and Dorr Clark of Deadwood, and located along the Belle Fourche River in Wyoming and South Dakota. Seeking buyers Plumb had traveled to Edinburgh and had employed the firm Gordon, Pringle, Dallas and Company

to help them with the sale. Thomas Gordon was already a director of the famed Prairie Cattle Company and Pringle had been involved in other sales.

As it was first suggested a group known as the Western American Cattle Company, Ltd. was registered in Edinburgh in September of 1882. The plan was to raise an additional £100,000 to add to the assets of the ranch and to operate it under the management of the American owners. All the deferred shares were to go to the vendors to be either sold in Canada (4,000 £10 shares) or to be divided among themselves. John Clay and Robert Pringle went from Scotland to investigate and spent considerable time on the ranch. Clay returned a favourable report in which he was particularly impressed that the cattle had so recently been counted. Pringle, however, was much less impressed and reported against²¹ the purchase. He considered the cattle count too high and voiced concern over the competence of the American vendors. The proposed company ended there and what shareholders there were had their money available²² for return.

There was money to be made from this property, however, and the Scots were aware of it. Scottish Banking Magazine informed its readers of a meeting to discuss starting again and asked those who were interested to transfer their shares in Western American Cattle Company, Ltd.²³ for an equal share in the new company. The vendors were short of money and the Scots saw a chance for a good investment so a January 1883 meeting was designed to overcome objections to earlier attempts. The vendors were not to remain as managers in the new emerging corporation, Western Ranches, Ltd., capitalised at £220,000 in £10 shares, £5 called up. Those directing policy were William Menzies, D. Stirling, Thomas Nelson,

George Warrender and Robert Pringle "a big bump of caution" who was²⁴
to go from Scotland as the American Manager.

Directors were required to own 200 shares. The vendors were paid
£12,000 in fully paid shares, plus a share of profits on all over bonus²⁵
totaling £112,000 plus annual 10% dividends. The Scottish Company
received range privilege for some 35 miles along the Belle Fourche
River.

The success of the Company may well have been the proof of Clay's
late determination to buy by actual count. The count was very small,
less than 2,000 originally, but the land held potential and the basic
herd was greatly improved by Scottish imports. The vast herdless land
was such a contrast to the over-crowded Prairie Cattle Company lands
that W. R. Lawson suggested cooperation between the two companies with²⁶
Western providing the fattening ranges.

Western Ranches increased their herd rapidly from natural increase,
mavericks, and considerable purchase. In 1883 Clay purchased 5,659 head
of Iowa beef for £34,283. These were milk-fed calves generally, some
three year olds and two year heifers. In the same year they purchased
4,744 Texas steers at a little over £26,000 and 246 bulls at something
over £4,500. No dividends were paid in 1883 though a 13 $\frac{1}{2}$ % dividend
seemed justified; the idea was to use these funds to build up the herd.
The following year they purchased an additional 16,000 yearlings and²⁷
two year old Texas steers at £27,500. In 1885 another 2,322 were added²⁸
after purchase from the Prairie Company for £8,900. Thus the directors
were able to report a calf crop of 1,224 in 1884 and 1,650 in 1885. The
winter of 1884-85 had been difficult for most companies and Western

Ranches was no exception; 2,515 head wintering in Indian Territory had not survived the winter.²⁹

With a stable base, however, and not having to face the constant depreciation of book value on herds, Western Ranches faced the dark years of 1885-87 paying a dividend of 4% in 1885-86 -- one of the few companies to declare dividends -- even after accepting the 2,515 stock loss.³⁰ The herd was growing stronger now, totaling over 18,000 in 1885 and with good stock. The net average realised for sale steers was higher, at £7.18.6 (1885) than any of the nine British firms operating.³¹ Sales continued to grow. They survived the winter of 1886-87 but did miss dividends in 1887 when they joined the other companies who were all forced to miss. Like so many, the winter nearly proved disastrous for them. The near 60% reduction in calf-crop forced the directors to write off £1.10 on each share and begin restocking once again.³²

They took advantage of the fact that many companies had to sell for capital and so cattle could be purchased at a bargain. To start with they allowed the transfer of 2,000 head of Texas cattle from the Panhandle to the Chugwater for fattening. Then Clay started pulling in odd groups. He bought 210 head of "stranded" cattle at £4.3.8 per head during the summer of 1888. Clay also arranged a cattle loan of £9,500 to supplement the £5,500 in Western's account which he used to purchase 4,000 head from Charlie Goodnight.

Goodnight was a legendary Texas cattleman who had been a moving factor in the development of the western cattle industry. For years on his own he had developed cattle in the Panhandle and in the Spring of 1866 drove a herd of a thousand or so into Colorado by way of Raton Pass through Comanche and Kowa country. With his partner Oliver

Loving he expanded his herds and drove cattle along what was to be recorded as the Goodnight-Loving Trail. Later, after his partners death at the hands of the Commanche, he joined with John G. Adair, the Scotch-Irish financier, to form the JA Ranch. Adair served for a period as a director in the Texas Land and Mortgage Company, Ltd. which loaned the JA Ranch funds to develop its own herds. These yearlings that Clay purchased cost Western £2.2 per head.

The total sales for 1888 were only 60 head as they wisely tried to hold off for a better market. In that year they were able to declare a 5 shillings on the share dividend, as they held for better prices. The winter of 1888-89, 1889-90, and 1890-91 were exceptionally mild and summer grazing was good. With a herd which had been increasing while other herds fell, the picture was looking much better. They held until 1891 when they were able to sell yearlings developed at £2.10 for an average £11.18 per head. They had outlived the disaster period. In 1889 they paid a 5% dividend and became the major exception to the evil days befalling the cattle companies.³³

Their financial stability had been further enhanced by an agreement reached in 1892 between Clay's Edinburgh connections and the Matador Land and Cattle Company, Ltd. in Dundee. The decision was to winter yearlings on Western Ranches' Wyoming grass at 4s 5d per head per year; 2,000 were shipped in 1892.³⁴ For the next six years Western Ranches continued to pay average dividends of between 14 and 20% and by 1896 the reorganisation loss of 1888 had been returned.

In 1896 the Memorandum of Agreement was modified to capitalise on the mortgage business which seemed once again to be more profitable than cattle. The move was financially successful as it returned for the

shareholder their second 100% on investment. In 1910 the Company was reorganised as the Western Ranches and Investment Company, Ltd. which operated successfully until 1921. It is difficult to assess short run advantages and there were lean years, but the long run, over 28 years of operation, the cattle company had averaged 8% dividends and original capital investment nearly doubled.

Chapter Nine: Notes

1. Drovers' Journal (Chicago) 7 April 1862.
2. RCSC; Microfilming of Industry Papers, Reel #1, John Clay's Report.
3. Ibid. Clay, John My Life on the Range. Norman: University of Oklahoma Reprints, 1962, 152-153.
4. Prospectus, Memorandum of Agreement, Wyoming Cattle Ranche Company, ECRO. Papers, WC: RCSC. Skinner, Thomas The Stock Exchange Year Book, 1879-1904. London: Cassell, Peter and Galpin, 595. Clay, 154-155.
5. Ibid.
6. Memorandum of Agreement, Stockholders Lists, Wyoming Cattle Ranche Company, Ltd., ECRO.
7. Prospectus, Wyoming Cattle Ranche Company, Ltd., 1882, ECRO.
8. Clay, 158-159. The Statist 7 February 1885.
9. Ibid., 24 January 1885. Report of Annual Meeting, January 1884, Wyoming Cattle Ranche Company, Ltd. WC:RCSC. Stock Exchange Year Book, 1885.
10. Clay lists the year 1884 (123) but there is considerable evidence that it may have been 1886. The Craig Papers suggest this as does Helena Smith in her work, The War on Powder River, 289.
11. Clay, 120. Atherton, Lewis E. The Cattle Kings. Bloomington: Indiana University Press, 1961, 181.
12. Craig Papers, James T. Craig Collection, WWHC
13. Clay, 161.
14. See "Ownership of Land by Aliens" 3 March 1887, Chapter 340, Statues 24, 478, 48th United States Code: 1507-1507 (1964). Lewis Payson Report in House Reports, 49th Congress, 1st Session (Serial No. 2445).
15. Ibid. Bright, Darvilla Foreigners and Foreign Capital in the Cattle Industry of the United States, unpublished MA Thesis, University of Oklahoma, 1935, 55-56.
16. Clay, 49.
17. Ibid., 35-36.

18. RCSC: Microfilming of Industry Papers, Reel # 1, Papers.
19. Stock Exchange Year Book, 1888, 585-650.
20. Stock Exchange File on Defunct Companies, 543.
21. Prospectus, Memorandum of Agreement Western American Cattle Company, Ltd. 26 August 1882, ECRO. Clay, 41-42.
22. Voluntary liquidation for reconstruction March 1883, Stock Exchange Year Book, 1884, 530.
23. Scottish Banking Magazine, 17 January 1883.
24. Clay, 41.
25. Papers of Western Ranches, Ltd. ECRO. Prospectus, LSER. Also see The Edinburgh Courant 20, 30 January 1883, 7, 22 February 1883. Duncan Plumb and T. Collier had appeared on the earlier board.
26. The Edinburgh Courant 17 March 1884.
27. Report of Purchases, 1883, 1884, Western Ranches, Ltd., LSER.
28. Clay, 133.
29. Papers of Western Ranches, Ltd., LSER.
30. Annual Report, 1885, quoted in Pelzer, Louis The Cattlemen's Frontier. Glendale, California: Arthur Clark Company, 1936, 142.
31. Jackson, W. Turrintine The Enterprising Scot. Edinburgh: University Press, 1968, 121 (table 8). James T. Craig was suprentendent of Western Ranches, Ltd.
32. Reports and Papers, Western Ranches, Ltd., LSER. Scottish Banking Magazine 5 March 1887.
33. They had been recapitalised with £78,400 in £3.10 shares. Stock Exchange Year Book, 1890, 848. Papers, Western Ranches, Ltd., ECRO. Craig Papers
34. Pearce, W. M. The Matador Land and Cattle Company. Norman: University of Oklahoma Press, 1964, 45-46. "Scottish Bargain", Time (6 August 1951) 44.
35. Papers Western Ranches, Ltd., ECRO. Skinner, 1911, 2543.

Chapter Ten: Additional Scottish Investment in Cattle

In addition to their ownership of three major cattle companies operating in Wyoming Territory the investing Scot was involved in several other Wyoming enterprises. The fact that the Scots were represented on the boards of most English companies was noted by Blackwoods of 1884. "Three-fourths of the foreign and colonial investment companies are of Scottish origin. If not actually located in Scotland they have been hatched by Scotsmen and work on Scottish models . . . and even the English ones find it necessary to come to Scotland for the debenture¹ money and the deposits with which high dividends are conjured up."

Foreign investments came early to Wyoming. The Scandinavian Live Stock Association located at Laramie was one of the first companies² incorporated in 1879. It was capitalised at \$5,000. paid up. The first British cattle investment in Wyoming occurred in the same year when, in May of 1879, the Anglo-American Cattle Company, Ltd. was established to operate along Hat Creek, Wyoming. It was organised and registered in London and though Scottish investors were still reluctant to plunge, an estimated £15,000 in shares were sold north of the Tweed. J. J. Cairnes³ and Arthur Mitchell of Kent, England were on the Board. Vastly under-capitalised at £75,000 it nevertheless purchased 27,000 head at book count and the ranches of the International Cattle Company from Henry Oelrichs who stayed on to manage it at £1040. a year. It failed in 1882⁴ from lack of capital but was reorganised on October 17, 1882 at £104,167 in 1000 £104.3 shares. Sir John Rae Reid Bart of London, Henry Oelrichs

and John Cairnes were trustees. The same men were generally involved in the International Cattle Company organised in May of 1882. With 41 shares at £1041. and an expected capital of £42,700 envisioned they appointed Sir John of London as the Director.⁵

A far more important involvement dealt with the 76 ranch. The Powder River cuts a rambling slice through Wyoming fed by many creeks and draws. On this river near the Christensen School flats where the three main forks come together Tim Foley had built and partially stocked a ranch. In 1879 this was purchased by Cambridge educated Moreton Frewen a young English sportsman and adventurer who had been drawn to the area by General Sheridans' accounts of its beauty.⁶ His brand was the 76, theoretically to symbolise the year of his first interest in American, but more likely purchased from Foley. Details of the purchase are vague but the story was around Cheyenne that Frewen had been badly cheated on the cost.⁷

During the next four years Frewen built one of the most elaborate of the western ranches. It was initially a success. The little town of Powder River also housed the Frewen Brothers General Merchandice where the post office was located. The 76 castle, as his home was called, was a large and elaborate eight bedroom house parts of which had been shipped from England.⁸

Frewen felt that the railroad was changing the tastes of America and that strong but boney longhorns, once necessary for the long trail, were no longer sufficient. He turned instead to a shorthorn, 54,000 of which he purchased and trailed from Oregon. The combined herds, fed on some of the finest grass, plus his efficient, if expensive, operation

seemed to pay off. He was soon shipping live cattle from his Wyoming ranges to the London markets, and making money off them.

In 1882 Moreton Frewen and his brother Dick had one of their many quarrels and Dick demanded that he be bought out. The two older brothers, Edward and Stephen, agreed to help and Dick pulled out of the Powder River Ranch with little but promises. Moreton found himself operating on very limited funds and felt that the only way to avoid bankruptcy was to promote a company to which he could sell his herds and ranches and remain to boss the outfit as manager rather than owner. This was not an unreasonable idea and the time was certainly ripe for it. He approached his British friends.

The organisation to be formed accepted the Powder River name and was registered in August of 1882 to purchase and operate Frewen's property along the Powder River and Crazy Woman Creek. The Company was organised in London and had English and Scottish directors. Scottish influence was apparent and limited shareholder lists available indicate a strong investment on the part of the Scots. Shares seem to have been particularly popular in the Dundee area.

Frewen himself had gone to Scotland to secure funds and two Dundee financial leaders, Andrew Whitton and John Leng joined the board. Other directors were the Duke of Manchester as Chairman, the Earl of Wharncliffe, William Tipping, Earnest Denison and Lord Henry Nevill. C. W. M. Kemp was Secretary of the Board. Each director was required to purchase 100 ordinary shares.

The Company's authorised capital was £300,000 paid up. In addition to a considerable number of independent Scottish investors a large block of shares were purchased by the Fleming group in Dundee. Frewen's role

in the Company was very strong. He was to receive \$40,000 in 8000 \$5 ordinary shares fully paid, \$12,000 cash, and at the end of his five years as manager, one-third of the surplus profits above the original capital investment. Each of the shares was to have one vote in policy matters. Frewen was to serve for five years as American Manager with-
 11
 out pay.

The landed property, though nominal, was valued at about \$55,000. The new Company proceeded to buy neighbouring herds, some little land, and to drive in more cattle. Frewen later wrote of this year: "From the Rawhide near two hundred miles east to Tongue River, and a hundred miles north, the '76' outfit . . . exercised a suzerainty while as yet no dogs
 12
 barked." In November of 1882 a small herd of purebred Sussex cattle were imported to raise the level of the brand.

Frewen was not as secure about the future of the cattle business as he might have been. When he first began his activities he had anticipated twenty years of plenty but he was soon showing concern over the future of western cattle. Sheep and settlers were invading and there were, even in 1882, more than enough cattle on the range. Steers were
 13
 emerging ragged after the winter. But he did not convey his fear in his report to the shareholders for the year 1883.

The available capital provided by the shareholders went almost immediately into the purchase of new cattle. By the end of 1883 the Powder River Cattle Company, Ltd. owned several ranches: Home Ranch on the Powder River, Plunkett's Ranch at Crazy Woman Fork, Murphey's Ranch on Meadow Creek, the ranch at Rawhide a few miles north of Fort Laramie and the Tongue River Crossing Ranch. Fred Hess, E. W. Murphy and Amos Sprauh

were foremen on the major ranches. They were running a herd of 48,000¹⁴ which placed the total value at about \$225,000 under the many brands.

During this time Frewen was warning of a beef famine in the United States. He felt that in Wyoming, the fattening country, there would be a continual growth as against Texas which would be of declining value. The Board was concerned over the frailty of land tenure and the Powder River Cattle Company, Ltd.'s limited ownership and nominal control. Frewen responded that Wyoming land tenure was strong and that there was no reason for concern. He suggested that since the land cannot possibly be irrigated there was no reason to worry about agricultural settlers and besides "the area of grazing land far up into British possessions on Bow River is so vast, that no one has any motive in crowding in on another to the detriment of both".¹⁵ In 1883 the Powder River Company¹⁶ paid a 6% dividend, its largest ever. In the following year they continued to display every sign of growth, reaching a cattle count of 54,629 and a calf brand of 9,000.

Greater markets were needed and Frewen sought a previously closed¹⁷ market. In 1879 the British Parliament had, for reasons not all hygienic, imposed the Contagious Disease (Animal) Act. This act provided that only under the most stringent conditions could live cattle be brought into Britain from the United States. The law, with a great deal of justification, was designed to prevent the spread of pleuro-pneumonitis, a disease carried by a good many Texas cattle. Frewen, who had exported live beef before, tried to get around the restriction by moving his herd through Canada to be shipped from Montreal. According to Frewen there was no danger because Wyoming cattle especially, and Midland cattle in general, was not subject to this disease. It was a region "where the

hygienic conditions were such that disease, which in the case of cattle is almost always disease of the lungs, has never been known, nor is it ever likely to be."¹⁸

In July of 1884 Frewen returned to England at the head of a delegation from the Wyoming Stock Growers Association. His interest was in sending feeder cattle into Great Britain to be fattened on the English countryside for sale. The people who feared that the British restriction -- which called for slaughter at debarkation -- would end the transatlantic cattle trade were in error. In fact the trade increased six fold from 1878 to 1880. However the restriction did cut down the export of live cattle with an estimated loss of nearly one million dollars a year. In the fat cattle trade there existed a difference of from \$7.00 to \$25.00 per head between the prices brought by those animals taken inland and those which were required to be slaughtered¹⁹ at the port.

Frewen recognised that the restrictions on cattle imports had political overtones and with the help of his friends got an audience before Lord Carlingford the Lord President of the Privy Council. In his arguments he used the support of Canadian Dominion Prime Minister, Sir John Macdonald. Macdonald was mildly enthusiastic on the condition that it would bring a boom to the Canadian railways, but he also recognised the Canadian beefgrowers determination to keep their export advantage and he had cautioned restraint on Frewen's part. Frewen carried his campaign by lobbying from "Dundee to Devon" but the political²⁰ pressures were too great supporting the bill. The hard pressed British land owners and their more conservative tenant farmers raised strong

Table No.7Live Cattle Shipment to Great Britain During Key Years.

<u>Year</u>	<u>Shipped to</u> <u>Europe +</u>	<u>To England*</u>	<u>To Scotland*</u>	<u>Total*</u>	<u>To Great</u> <u>Britain#</u>
1879	136,720	68,544	3,250	71,794	74,117
1880	182,756	118,242	7,275	125,742	154,814
1881	185,707	124,317	9,744	134,361	103,693
1882	108,110	61,876	6,123	68,008	47,686
1883	104,444	67,013	9,078	76,091	154,631
1884	190,518	150,686	18,571	169,257	138,661
1885	----	----	--	167,210	137,377

+ Dale, Edward Everett Range Cattle Industry 1865-1925. Norman: University of Oklahoma Press, 1930 (1960).

* U. S. Department of Agriculture, Bureau of Statistics, 1879-1885. Government Publishing Office, Washington, D. C.

Annual Report of Veterinarian Department, 1880-1887, House of Commons XX (1880) 612, XII (1882) 656, XX (1885) 16, XIX (1887) 10. Note the difference in reportings by American sources.

and well placed objections. Their great fear of American competition was pushed by what they considered the insidious crippling practice -- even worse than the importation of cheap wheat -- of undercutting the value of what little cattle they could raise.

Frewen decided to push the issue further and asked for some sort of reaction from the Canadians. Here he suffered even further setbacks. The Canadians, late but loud, voiced their strong opposition to the lifting of the ban. The results were disastrous. Despite the strength of Frewen's deputation the answer was no. What was worse was that the Canadians decided to more rigidly enforce their own laws to keep dis-
ease (and the cattle) from spreading into Canada. ²¹

There was gloom on the horizon for the 76. As a part of the original agreement Frewen could not sell his shares for five years, but no such restriction limited some of the Dundee shareholders. Robert Fleming's group consolidated its holdings and got out while they could still get a premium price. ²² The year 1885 was an exceptionally bad year for cattle prices dropping for the Powder River Company from £7.5.1 to £6.8.8, a loss of nearly £4500 on the herd sold. A 4% dividend was all that was available in 1884 and even that was lost in 1885. The
Company's credit balance stood at £185. ²³

In many respects Frewen anticipated his own crisis. Writing in the Edinburgh Courant he said: "The present position (of cattle companies) is one of acute crisis. I suggest that having in view the immense amount of British capital involved . . . a Commission should be appointed to enquire into the present position, and the Commission should be composed
of men who understand the business." ²⁴ He was criticised by the preference

shareholders in Scotland for not being able to pay the guaranteed 10% dividend and under this considerable pressure he resigned. He remained, nevertheless, the largest single shareholder -- a fact of dubious honour. ²⁵

In June of 1885 he wrote a final entry in his guest book: "am leaving tomorrow via Superior, for England, and the abode of pleasant memories and good sport is to be abandoned. The pressure of settlement is driving us cattlemen northwards . . . " ²⁶ The Cheyenne Sun with their typical attitude, congratulated its readers on getting rid of the Frewens. ²⁷

Horace Curzon Plunkett, and Irish reformer and MP, was appointed as American Manager. ²⁸ Plunkett was the third son of the 16th Baron Dunsany. He came to Wyoming for his health and soon was heavily involved in the cattle business. ²⁹ Though he was terribly energetic and interested he did little to ease the situation. His unfamiliar ways led to major problems which directly or indirectly, worked to the Company's decline. His end to the "free board system" among traveling neighbours made him none too popular with his peers, and his wage cut and the use of the roundup boy-cott ³⁰ disturbed the internal workings.

In 1886 the brand was down to 3,000 and in August the Powder River Cattle Company, Ltd. went into voluntary liquidation as creditors drew close. The estimated loss was £200,000. There was an attempt to re-organise as the International Cattle Company but this failed. Kemp, as the liquidator, reported in 1887 that creditors were trying to force sale. Frewen records that indebtedness was £100,000 at this time and that the sale of the remaining herd driven up through Alberta by Fred Hess, ³¹ had returned about £50,000.

Frewen personally received nothing for his shares. He reported an additional loss of £30,000 because of Company debts undertaken in his own name. He sued the Company in 1887 to collect but nothing came of it. Part of the land, and the 76 brand, went to Fred Hesse to compensate for his unpaid services as foreman. He established the 28 Ranch
33
on Crazy Women Creek.

Richard Frewen, the brother, was involved in another cattle company which was registered in London and which operated with Scottish funds and directors. This was the Dakota Stock Grazing Company, Ltd. with major ranges in Wyoming on Hat and Indian Creeks. The Company was registered on the 28th of February in 1883 with an authorised capital of £250,000 in £5 shares: £117,000 in £5 paid up shares was subscribed. The Company controlled a range which was originally owned by N. R. Davis and Company of the Hat Creek Ranch -- 640 miles along the Cheyenne River and Hat Creek through Nebraska, Dakota, and Wyoming. The purchase price was £108,125. The directors included the Earl of Dunraven as Chairman, J. Bruce of Edinburgh, Lord Castletown, John O. Hansen and G. R. Vernon each with 100 shares. The Company was to be managed in America by Richard Frewen who received £5,000. Frewen was to be a director when the deal was completed. At the end of the time he was to receive one-eighth of the amount of profit divided among the share-
34
holders.

The range land was excellent and generally virgin having been drawn from the Sioux Reservation in 1876. The Prospectus said it could

easily stock 30,000 to 40,000 head. But Richard Frewen was not a terribly committed manager and hesitation by the Board got them off to a bad start. Poor cattle count, a series of bad winters and poor management brought it quickly to the edge of bankruptcy. The Company did manage a 7% dividend in 1883 but by 1884 none was available. Inside two years it had created an indebtedness of £53,933 and folded carrying a financial loss of nearly £70,000 for its investors.

A third company to be mentioned in which the Scots were involved was the Bay State Land and Cattle Company, a cross-financed affair on the Wyoming-Nebraska border. It began with John A. McShane, an Irishman from Ohio, who in 1873 started a small ranch in Wyoming Territory. He also developed interestes in Nebraska until in 1883 he combined his efforts with the Bay State "Nebraska" Land and Cattle Company owned by the Coad Brothers. This outfit had started in the late 1870's with capital from Maine, Massachusetts, London and Edinburgh. G. W. Simpson of Boston was President and H. H. Robinson, General Manager. The Company had bought out the Streaks Ranch on the Lodgepole, the Circle Arrow, the Circle Block and the J. H. D. Ranch and set up an elaborate headquarters. The English, Scottish and eastern investors soon discovered that only 527 acres of the 10 tracts listed were owned by the Coad Brothers. The rest was "in the process of being obtained."

The headquarters, or the 'palace' as it was called, was build in Massachusetts in sections and shipped by rail and set up near the Lodgepole bottoms. It was rumoured to have water inside with "the

whole works in a little room by themselves".³⁸

It was in 1883 that the great expansion occurred with an additional³⁹ £146,000 in capital from Scottish connections. With this the Bay State purchased McShane's holdings in Wyoming near Ten Sleep and Horse Creek. They also purchased the Creighton holdings, the Bough-Arrow Ranch and the Coad holdings in western Nebraska. For their £190,000 invested they got first title to 527 acres and control over their alternate sections; 21,829 head of stock by book count; 190 horses and improvements.⁴⁰ At this time they also leased several thousand acres from the Union Pacific. They established their base ranch in Wyoming to run cattle to the Big Horn Basin. By 1885 the Company was estimated to have⁴¹ 150,000 head. John McShane was appointed the manager.

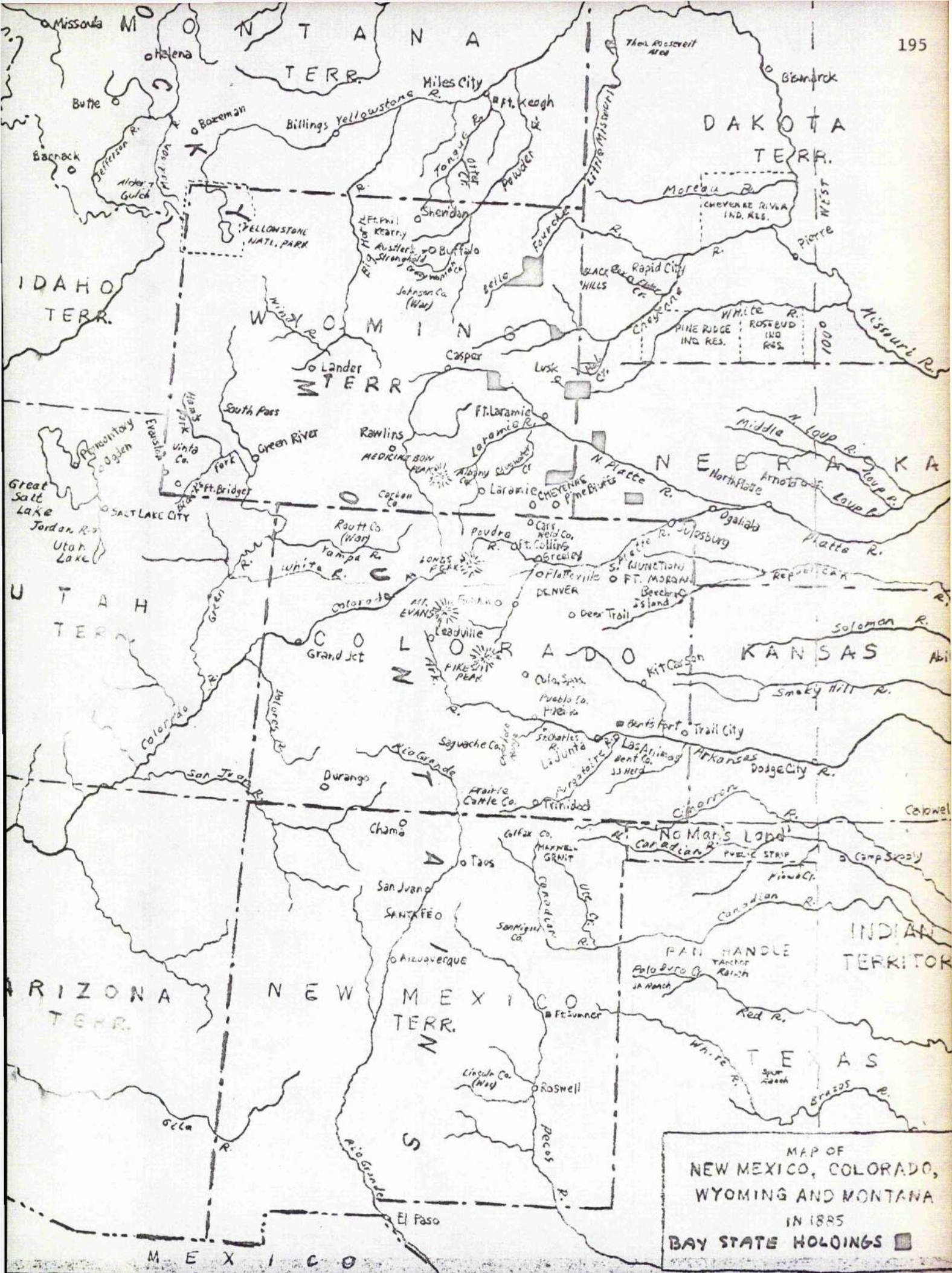
The Bay State was in trouble from the moment of expansion. The first was that mortgages on the Company stood at £110,000 and John Coad was appointed as range boss until it was paid off. His initial trouble was with the younger sons of members of the loaning syndicate who, he reported, came from the English and Scottish peerage and who played at being cowboys. It upset the cowpunchers, he was sure, to see them dressing several⁴² times a day especially when they never got dirty. The second of his problems was the land question. It was discovered that of the ten tracts listed in the contracts with the Coad brothers that they held a clear title to only 527 acres. Another 320 acres was listed as having the title in process. By comparison the vast ranges of public domain that they controlled was enough to make even the cattlemen skeptical. The main pasture some eight miles wide and thirty five miles in length and the Mitchell Pasture a five by eight mile length area were held by possessory.

The "open range" they assumed was simply an unfenced range running South⁴³ of Pumpkin Creek. They were also plagued by poor book count, settlers claiming the land, and declining prices.

The situation was worse when in 1886 they found the calf crop was way short and they started a reorganisation and consolidation policy. The 1887 herd law passed in Nebraska was an unexpected motivation in this consolidation. Previously the law had placed the responsibility with the farmer to protect himself by fencing out the range cattle. Under the dictates of the new law the burden fell to the cattlemen. If livestock were found on someone else's property they were trespassing and the owner of the land had the right to impound them, notify the owner, feed the cattle until they were redeemed, and then require that the feed bill be paid. Under the law the farmer could determine what the feed was⁴⁴ worth and under these conditions it was usually high.

This, in effect, finished the Bay State in Nebraska. They started the process of moving their herds into Wyoming where open range was still being protected. They had previously acquired the U. P. Noble Ranch in the Big Horn Basin of northern Wyoming and some cattle were moved there. Most of the rest were moved across the line into the Goshen Hold country on the old Crockett Ranch about fifteen miles south of the North Platte, two ranches on Horse Creek, one north of LaGrange near Hawk Springs, and another at the mouth of Bushnell Creek some ten miles to the south of LaGrange. At this time the Bay State was reported to be running about⁴⁵ 40,000 head carrying the FF Bar brand.

The heart was gone from the Wyoming involvement however. The losses during the winter of 1886-87 and the landed limitations being imposed



by the movement of the farmers into the area were too hard. Difficulty with the farmers and small ranchers was increasing. In March of 1886 the manager of the Anglo-American Cattle Company had written that the losses of cattle had been frightful. The homesteaders, he reported, had not confined their slaughter to meat for their own use but had killed wantonly. In the stretch of a little over a mile he had found⁴⁶ thirty cattle every one of them killed by gunfire.

When the Bay State saw their chance they sold out most of their Wyoming holdings to Thomas W. Spratt. Spratt, from Milford, Ireland,⁴⁷ organised these lands into the Brothers Jew Ranch. The Pumpkin Creek Ranch in Banner County was sold to Ben Cross, the Mitchell and Crockett ranches to John Boyle who branded them with the OP brand usually known in Wyoming as the "other peoples", the Horse Creek ranges to Sturgis and Goddel of the Union Cattle Company. By 1893 the influx of settlers and⁴⁸ the depression compelled them to sell completely. The last of the original owners, Mark Coad, kept a block of land near LaGrange, Wyoming, where he switched to sheep and ran about ten thousand head for the next⁴⁹ twenty years.

The Bay State Land and Cattle Company was later reorganised -- January 29, 1907 -- with the Secretary of State for Wyoming with a⁵⁰ capital of \$150,000 but this was a completely American company.

The Sand Creek Land and Cattle Company, Ltd. was in the same general category. Registered in London with a capitalisation of £100,000 including some Scottish investment, it was located as a Wyoming-Montana company. Its

headquarters was located in Carbon County, Wyoming at the junction of the Sand Creek and the North Platte rivers. Ranch land was held near Bates Hole, Wyoming. The corporation paid \$106,000 for grazing rights to an estimated 150,000 acres, a book count herd of 2,800 plus the houses⁵¹ and equipment. The vendor was retained for five years as the manager. Information on the Company seems to stop there and very little is known about it except for its lack of success. No dividends were paid and it is listed as being liquidated prior to 1931. It can be assumed that the⁵² major portion of the investment was lost.

Quite late in the cattle organisations and one of the last of the companies based in London, was the Wyoming Hereford Cattle and Land Association, Ltd. growing out of the Wyoming Hereford Association of 1886. This company was originally one of Swan's ventures. Seeing a rich future in Herefords for the Midlands Swan decided to try and establish a pure-bred Hereford ranch. This was done in connection with the creation of the Wyoming Hereford Association. The initial act was to hire George Morgan as manager and to establish a ranch at Crow Creek, Wyoming. Born in Madley, Herefordshire, England George Morgan migrated to Ohio where he became interested in cattle breeding. In 1881 he came to Cheyenne under Swan's direction to pursue the importation and expansion of the Hereford breed in Wyoming and the Midlands. They started the Wyoming Hereford Association in August of 1883 with a capital stock of \$500,000 in 50,000 \$100.00 shares. Alexander Swan, his brother Thomas, Charles

Anthony, Collingwood Boulter and George Morgan all served as Trustees⁵³ and carried 10 shares of founder's stock.

The Association sent Morgan to Herefordshire in 1883 and he returned with 146 purebreeds ranging from six months to three years of age. Again, in 1884 a purchase was made this time of over 300 which pushed their herd to nearly 500 head at a cost of \$41,000.⁵⁴ The popularity of the Hereford breed was immediate. It seemed to be constitutionally adapted to the rugged conditions of the prairie. Texas Longhorns had been crossed with Durham, Galloway and Angus but the rugged white face became almost a natural for the country where his ability to survive the cold and the drought made him a favorite.

During Swan's financial misfortunes the lands and the herds were moved about until, in 1886 the British were approached. Capital shares were authorised of \$300,000 and \$150,000 mortgage debentures of \$50 and up were sold at 6%. The organisation, the Wyoming Hereford Cattle and Land Association, Ltd., was registered in London in July of 1886. The Company acquired 86,879 acres of freehold near Cheyenne along with stock estimated at 100,000 for \$250,000. Sir Charles Clifford, Colin J. Mackenzie, then Chairman of the Swan Land and Cattle Company, Ltd. and James Shepherd were appointed as stockholder trustees.⁵⁵ While undergoing some basic change during the years the Hereford Ranch was in operation, with considerable foreign investment,⁵⁶ until the summer of 1964.

In 1897 when the holdings went into receivership as a part of the general Swan dissolution the purebred herd fell into friendly hands when Henry Altman and Dan McIlffain of Cheyenne took over. When he was released George Morgan went immediately to the English owned Douglas Willan-Sartoris Ranch where he pushed his interests in upgrading plains breeds.⁵⁷

Another short-lived cattle investment was the Moorcroft Ranch Company incorporated under the laws of the Territory of Wyoming in late August of 1891. The purpose was to engage in the general ranching business but they were looking out for land investments as well. The capital stock was to be \$55,000 issued in \$20.10 paid up shares. It was placed under the control of three trustees, James Millar of Cupar, George B. Thomas and Hocks Millar. The first of these was a Scotsman who worked out of Dundee and it was his funds primarily that were involved. They operated a main ranch at Crook County near the town of Moorcroft. There is very little recorded of their operations and the 1900 Wyoming listing of companies with alien shareholders does not include them.

In addition to those companies organised and directed in Scotland, and those organised in London with some degree of Scottish capital and control, there were also several Wyoming based and Wyoming ranched companies in which Scottish money was invested and where varying degrees of control were exercised.

In 1877 Major Frank Wolcott established the VR Ranch on Deer Creek near the present town of Glenrock. Wolcott had come to the Territory as a U. S. Marshal after his release from service during the Civil War. He was a hard man, "a fire-eater, honest, clean, a rabid Republican with a complete absence of tact, very well educated, and when you knew him a most delightful companion. Most people hated him, many feared him, a few loved him" ⁵⁹ When the war was over he entered ranching and had been

successful on a limited scale. He was farsighted enough to see that in the future a successful cattle business would require the rancher to own his own land, have hay lands for winter feed, and control his water rights. This he intended to do before the Deer Creek range was taken. He decided to borrow. The Scottish interest was well known and seemed the obvious place so John Clay was asked to investigate the area and determine its value. He found a pleasant sheltered area, a herd estimated at about 6,000 and good management. Through his report a loan of £12,000 was negotiated from Thomas Nelson and associates of
60
Edinburgh.

Additional land was purchased along both sides of the North Platte, a large irrigation ditch dug, and the herd improved. The following year, 1886, an additional £7,000 was loaned, also by Nelson and his associates. The entire sum was secured by the ranch and the herd. The difficult winter of 1886-87 was very hard on Wolcott and the near 60% loss of herd brought him to the point of bankruptcy. The rancher had no means to repay his loan and the Scottish capitalists, already hurting, were very reluctant to loan him more. Finally the property reverted to the Nelson estate. Clay assumed general control and it was worked by the
61
Scots until the second decade of the new Century.

Another investment of Scottish money in Wyoming firms centred around the Dickey Brothers -- Valentine B. and William W. "Val" the younger was "a rather cavaderous looking man . . . erratic, volatile, a bit bumptious and vain" and Bill was the "brains, very keen, calculating, with a
62
great practical knowledge of the west." By 1882 they had a herd of some 10,000 on the Little Missouri in Wyoming and South Dakota and 12,000 in

Indian Territory. The Dickey Brothers paid the Cherokee Nation grass money and a cash payment of from \$350 to 500. per month to allow their animals to graze on the Cheyenne-Arapaho reservation.⁶³ Bill Dickey had visited Edinburgh in 1882-83 and with Robert Pringle of the Edinburgh firm of Gordon, Pringle and Dallas, had attempted to interest the Scottish-American Mortgage Company, Ltd. group in Edinburgh in forming a company. John Clay was asked to report and had given a favourable view of both the Texas and Wyoming herds. For various reasons -- not the least of which was trouble with existing ranches -- the Edinburgh company refused Dickey's proposal.⁶⁴

Clay arranged, instead, a loan of £65,000 from Thomas Nelson at 10% to be secured on both herds and administered through Clay. The 1885-86 winter nearly destroyed the Indian Territory herd and the brothers removed the remains to the Wyoming ranches. But then the 1886-87 winter struck bringing disaster. Bill Dickey, discouraged in spirit, disposed of his share of the holdings at less than 25 cents on the dollar and died shortly after.⁶⁵ In 1888 Thomas Nelson discovered that he had only 3,500 head as security and he instructed Clay to take over possession of the herd and the lands. Clay managed it for the next four years during which time he was able to rebuild the herd and regain a good portion of Nelson's money. By 1894 when Clay was released, the debt was paid and the Company -- The Dickey Cattle Company -- was operating at a respectable profit under the Nelson estate.⁶⁶

Thomas Nelson also loaned money through John Clay to the Dole Brothers who ranched near Rawlins, Wyoming. Information about them is very limited but it appears that they were unable to meet the terms of

the loan. In 1886 the Scots were forced to foreclose. The amount of the loan and the degree of Scottish loss is not recorded along with
 67
 the rest of the Company papers.

One of the best known English companies was the Willan-Sartoris Company which received funds from Scotland through the Edinburgh connections of John Clay. Jack Douglas-Willan was born in Ireland of Scottish parents. He emigrated as a young man and settled first in Colorado and then in Wyoming after he had been impressed with the grass lands near La Bonte. In 1883 he journeyed to England where he involved Lionel and Leonard Sartoris in forming the Willan-Sartoris Company, Ltd. capitalised
 68
 at £110,125 in 1,068 shares of £62.0 each. When organised on November 1, 1883 the Company had some 21,000 acres of deeded lands, the old Rand, Briggs and Steadman property near the Little Laramie River, and a larger ranch on the Platte River near Douglas. Considerable money was spent on
 69
 improvements, including the "big house".

Details of the Company's management are vague. John Clay was called on several occasions for money for expenses and sometimes for improvements. The money, usually from Nelson and his associates, was secured on herds and land. The Company had very high expenses and would get into debt almost to the breaking point. They would then call on, and receive aid, aid from England. Clay's dealings with them ended when he arrived unexpectedly to inspect 8,000 sheep given as security and found they all had been sold months before and the money used for other purposes. Trouble
 70
 was avoided by a new loan from Britain.

Though the Willan-Sartoris Company, Ltd. was shakey it hung on long enough to bring to court a case which affected the entire industry. The

Company had been ordered to tear down its fences which, while on their own land, enclosed a part of the public domain. Judge Saufley of Wyoming in United States v the Douglas Willan Sartoris Company, ruled it was legal to include government land in fencing as long as the posts were on private land.⁷¹ In 1895 a Colorado court opinion disagreed but by then this Company had folded under financial pressure.

The New York and Wyoming Live Stock Company was organised in October of 1882 as a corporation to purchase, brand, and sell cattle in the Territory of Wyoming. Originally capitalised at £31,250 in 150 £208.10 shares a good part of the money was collected in Scotland through Sir William Bothwell of Edinburgh who served as trustee and Scottish agent.⁷²

Horace Plunkett, once manager of the Powder River Company, Ltd., and Andrew Gilchrist of Scotland joined with E. S. Rouse Boughton to organise the Lone Land and Cattle Company on May 14, 1884. They controlled ranches from Hutton Station to Iorn Mountain. Their capital, never completely raised, was to be 20,000 shares at £21.10 per share, and they were authorised to do business in Cheyenne, Chicago, London and Edinburgh.⁷³ They reported having sold shares in all these locations.

A month after the above organisation, July 17th, 1884 the Frontier Land and Cattle Company was developed. Plunkett and Gilchrist were again active, this time joining with Henry Windsor, John Chaplin, John Cable, and W. D. Watson Smyth. The new group combined the EK Ranch on Powder River, about one-third of the NH Ranch of Cable and Windsor, and the 7,000 acres of Ten Sleep holdings of Windsor, Cobb and Plunkett. These Powder River holdings were originally developed as The Great Divide

Land and Cattle Company, but this got too involved in Plunkett's network of holdings. The Frontier Land and Cattle Company was authorised at £312,501 in shares at £21.10. The directors originally purchased only one share. The Company was established and while it suffered greatly during Plunkett's involvement with the Powder River Company, it survived to the turn of the Century, but paid no major dividends to its English and Scottish investors.⁷⁴

The Four Jay Cattle Company was organised 31 May 1889 at £56,459 authorised capital at 2750 shares of £20.10. Herbert J. C. M. Woodyer of London and Rudolph Glaren of Glover were included as trustees to open the way for English and Scottish funds but few became available and the Company never really got started.⁷⁵

The extent of Scottish funds cannot every really be known since these American based companies listed their shareholders only by name, or by country, never by individual, country and amount. There were some obvious reasons for this not the least of which was the growing resentment against the foreigner. It was believed in more and more companies, that the less said about their foreign connections the better. Nevertheless a search of the Wyoming records concerning company registration does indicate some familiar names by which a connection can be made. Men like Thomas Nelson, the related firms to Robert Fleming, John Clay and Robert Pringle were obviously involved and through them a rather large amount of investment was being made.

Chapter Ten: Notes

1. "Scottish Capital Abroad", Blackwoods Magazine, Vol. 35, October, 1884, 469.
2. Secretary of State, Wyoming, WAH.
3. Certificates of Incorporation, Business Agreement, Anglo-American Cattle Company, Ltd., Secretary of State, Wyoming, WAH.
4. Skinner, Thomas The Stock Exchange Year Book, 1882. London: Cassell, Petter and Galpin, 287. Brayer, Herbert, "The Influence of British Capital on the Western Range Cattle Industry", Westerners Brand Book Denver (1948) 90. This Company should not be confused with the 1886 attempt to reorganise the Powder River Cattle Company, Ltd., Secretary of State, Wyoming, WAH.
5. Certificates of Incorporation, Business Agreement, Anglo-American Cattle Company, Ltd., Secretary of State, Wyoming, WAH.
6. Frewen's papers are at the Library of Congress, Washington, D. C. Frewen was the "Boss" in Owen Wister's The Virginian.
7. Frewen, Moreton Melton Mowbray and other Memories. London: Herbert Jenks, Ltd., 1924, 143.
8. Brayer, Herbert O., "The 76 Ranch on the Powder River", Westerners Brand Book Denver (1950) 1.
9. Shareholder lists filed with the Prospectus, Powder River Cattle Company, Ltd. LSER.
10. Prospectus, Powder River Cattle Company, Ltd. LSER. The British company should not be confused with the Wyoming based Powder River Livestock Company incorporated in March of 1882 under Colorado law with a capital stock of \$140,000. This corporation ran major ranges in the Powder River country and the two corporations are often confused. The Powder River Livestock Company operated in Wyoming until 1893. For an interesting discussion of the American company see Springs, Agnes W. "Powder River Livestock Company" Colorado Magazine, XXVIII, 1951, 32-36.
11. Prospectus, Powder River Cattle Company, Ltd. LSER. The Stock Exchange Year Book, 1883, 430. The best material on Frewen is the work of Herbert Brayer, listed in my bibliography. A new work, Allen Andrews' The Splendid Pauper. New York: J. P. Lippincott Company, 1968, but this is limited in scope and based in the main on a 1932 biography by Sir Shane Leslie, Studies in Sublime Failure. Frewen's own work, Melton Mowbray is very informative.

12. Frewen, Melton Mowbray, 212.
13. Frewen reports having discussed this matter with Thomas Sturgis, President of the Wyoming Stock Growers Association, and their agreement was that the ranges should be relieved.
14. Report to Stockholders, 1883, RCSC.
15. Frewen, Melton Mowbray, 212. "Free Grazing" Report to Stockholders, 1883, RCSC.
16. The Economist 20 March 1886.
17. Frewen, Melton Mowbray, 223.
18. Ibid., 211.
19. National Live Stock Journal, April 1880. Papers Relating to Foreign Relations of the United States in 1879, Washington, 1879, 423-424.
20. Brayer, "The 76 Ranch", 78.
21. The Edinburgh Courant 14 June 1883, 26 November 1884. Brayer, "The 76 Ranch", 78.
22. Jackson, W. Turrentine The Enterprising Scot. Edinburgh: University Press, 1968, 64.
23. The Economist 20 March 1886.
24. Quoted in Andrews, 90. Frewen admitted that he had painted such a bad picture that he had set off a panic among the directors. Frewen, Melton Mowbray, 223.
25. Brayer, "The 76 Ranch", 79.
26. Frewen, Melton Mowbray, 224.
27. Quoted in Sandoz, Mari The Cattlemen: From the Rio Grande Across the Far Marias. New York: Hastings House, 1958, 269-270. She goes on to say that the Frewens "had brought an important and legitimate business into discredit."
28. Spring, Agnes Wright, "Old Cheyenne Club", American Cattle Producer, (July, 1947).
29. Smith, Helena Huntington The War on Powder River. New York: McGraw-Hill, 1966, 9.
30. Ibid., 99-100.

31. Skinner, Stock Exchange Year Book, 1886, 593; 1887, 547. Frewen, Melton Mowbray, 223.
32. Ibid.
33. Brayer, "The 76 Ranch", 80.
34. Prospectus, Dakota Stock Grazing Company, Ltd. LSER. Stock Exchange Year Book, 1884, 488.
35. Ibid., 1887, 547; 1888, 593, 630.
36. Coad Brothers, Contract with the Nebraska Land and Cattle Company, Ltd., March 30, 1883, Nebraska State Historical Society Library, Lincoln, Nebraska.
37. Ibid.
38. Yost, Nellie Snyder The Call of the Range. Denver: Sage Press, 1966, 126.
39. Russell Thorp "remembers" the Bay State's early connections with Edinburgh but he had no memory of what group was involved. John Clay gives the impression it may have been Nelson (Clay, My Life on the Range, 235-236). The Nebraska State Historical Society archives mention a Mr. Nelson in connection with Bay State but nothing more. The Massachusetts State Historical Society has no record of the Bay Company activities.
40. Yost, The Call of the Range. This is the official history of the Nebraska Stock Growers Association.
41. McShane was also a director of the Company. A man of considerable talents he promoted, along with Alexander Swan, the Union Stock Yards Company in Omaha. He was also President of the South Omaha Land Company, Director of the First National Bank of Omaha, a member of the State, House and Senate, and a Representative to the 50th Congress. Tipton, Thomas Forty Years of Nebraska at Home and in Congress. Lincoln: Nebraska State Historical Society Publication, 9, 1902, 455.
42. Nebraska Archives: Letter from Dan Adamson, Director, to author. Yost, 127.
43. Coad Brothers, Contract with Nebraska Land and Cattle Company, March 30, 1883, Nebraska State Department of History and Archives Library, Lincoln, Nebraska.
44. Schatz, August H. Longhorns Bring Culture. Boston: The Christopher Publishing House, 1961, 50.

45. Ibid., 50-51.
46. Dick, Everett The Lure of the Land. Lincoln: University of Nebraska Press, 1970, 250.
47. Works Progress Administration, Writers Project, "Grazing Files" Cheyenne, Wyoming. State Archives and Historical Department Library.
48. Schatz, 24.
49. Ibid., 53-54.
50. Ibid. John McShane turned his attention to marketing and became a supporter of the Gudahy Packing Company.
51. Prospectus, Sand Creek Land and Cattle Company, LSER.
52. This Company is listed on the Stock Exchange Index at Austin Friars but the registration number proved to be a dummy number. The only records I could discover were in Wyoming. It is mentioned on the records of the Cheyenne Club. It should not be confused, as I think some authors have done, with the Sand Creek Live Stock Company which was incorporated in Wyoming in April of 1908. Secretary of State, Wyoming, WAH.
53. Ibid.
54. Allred, B. W. "George Morgan, Pioneer Importer and Breeder of American Herefords", Annals of Wyoming, April 1970, 42, 55-76, 61.
55. Prospectus, Memorandum of Agreement, Wyoming Hereford Cattle and Land Association, LSER.
56. Conversation with Donald R. Orduff, editor of The American Hereford Journal.
57. Morgan was later to invest heavily in Wyoming and Colorado mining as well as to run for governor against Francis E. Warren. Allred, 64.
58. Articles of Incorporation, Moorcroft Ranch Company, WAH. Secretary of State, Wyoming (Listing of Companies with Alien Shareholders) WAH.
59. Clay worked with Wolcott for 15 years prior to this time. Clay, John My Life on the Range. Norman: University of Oklahoma Reprints, 1962, 138.
60. Ibid., 140. Sandoz, 347.

61. Sandoz states that the VR Ranch was originally owned by the Scottish Tollard Company, purchased in 1877 and managed by Frank Wolcott, 346-347. I find no evidence of the Scottish Tollard Company and no such company is listed either in London or Edinburgh Register Offices, nor at the Stock Exchange or the Wyoming Tax Records.
62. Clay, 87.
63. Dickey Brothers to Price, July 30, 1883; Price to Secretary of the Interior, April 21, 1883 (Special Case 9) Records of MIA, VI, 303-304.
64. Clay, 88-95, 91.
65. Kansas City Livestock Indicator, April 10, 1890.
66. Clay, 87-89, 137.
67. Ibid., 237. Secretary of State, Wyoming, WAH.
68. Ibid.
69. Burns, Robert, "Beef Makers of the Laramie Plains", Annals of Wyoming, 1964, 194-196.
70. Clay, 146-147.
71. 3 Wyoming 387, 22 Pacific 92, 1889.
72. Secretary of State, Wyoming, WAH. WPA "Graxing File", WAH.
73. Ibid.
74. Ibid.
75. Ibid.

Chapter Eleven: Blizzards, Grangers and Moonlight.

In 1884 Tait had written, "in the west almost the entire surplus wealth of the inhabitants is invested in cattle, bankers especially being interested; and there is not one man who is going out of business."¹ Such optimism drown out the caustic warnings of the Drovers Daily Journal which in 1882 had cautioned investors against over-trading. Nor had the optimism been softened by the signs of trouble associated with the Prairie Company's termination of its American vendors. Little attention was paid to The Economists and The Scottish Banking Magazine's² timely warnings concerning the American cattle business. This was a time for listening but the buildup had been good. "Absolute safety" the investor had been told, "speculation and risk removed . . . cattle disease unknown . . . Scottish cattlemen will reap rewards even Americans can not get."³ But the boom was over by 1886 and troubles mounted to push the large companies, like their smaller contemporaries, to the wall.

The factors which contributed to this decline were not unique to the Midlands, but they mounted there with great weight against the unsuspecting investor. In most cases the trouble surrounded land shortages, an almost unbelievable problem to be facing a country only a few years before avoided as a wasteland. As early as 1879 The Scottish Banking Magazine was warning of the importance land would assume and urged investors to take land ownership more seriously than it was being⁴ taken. The Edinburgh Courant had joined in the outcry warning that cattle companies were "public thieves" making their 20 to 25% dividend

out of the free grass of the public domain of the United States.⁵

Land and a great deal of it was needed for success in cattle. In Wyoming 40 acres was required to run a single steer and with a herd of 10,000 or more the problem became acutely obvious. At first there had been no problem. Less than one-seventh of the Territory had been surveyed in 1880 and the rest was there for the taking. Land was claimed by going to the nearest newspaper and printing a claim notice. It operated on the base of "priority use" and the "law of the accustomed range". This simply held that land claimed by prior grazing was recognised.⁶ If legal control was desired the ambitious rancher could get a combined 960 acres by taking advantage of the Homestead Act, the Timber Culture Act and the Desert Land Act.

The base of this was the Homestead Act of 1862 which provided any citizen or intended citizen over 21 years of age, 160 acres of surveyed public domain which would become his after five years of continuous residence and the payment of a registration fee. Or he could receive title to his homestead after six months and the payment of \$1.25 an acre. Many corporations filed numerous homestead claims under the names of various cowboys who received some small payment for this service. In addition through the Desert Land Act of 1877 individuals could receive an additional 640 acres of "desert land" at the cost of .25 cents an acre provided the land was irrigated within three years. Still more land was acquired under the Timber Culture Act of 1873 which granted 160 acres of land to anyone who would keep 40 acres of timber in good condition. In 1878⁷ the timber acreage was cut to 10 acres.

The majority of ranchers, both large and small, simply purchased

enough land to control water and access to the public domain and let it go at that. But as settlers began occupying choice bits of land, and coveting more, the vague nature of the American land laws began to show their weakness. The pressure was felt, however, no so much by the limited occupancy of land but by the fact that the settlers were developing political power at the same time. And, it was not long before they turned this power generally against enclosures and in time against the alien landowners.⁸

Hard feelings had grown up around the large ranching interests. It had grown in opposition to their 'land arrogance' and was intensified by the hazy awareness that major capital involved came from foreign hands. Journals like the National Live Stock Journal started a campaign of criticism against "the rich and insolent foreigners who sought to monopolize the public lands and to keep American citizens from securing homes on the public domain".⁹

One of the West's principle attractions for the Scottish investor had been the stability of land, and the respect for property rights which had characterised the American West in the past. The Scottish cattle interests were based on the assumption of a regulated and orderly control of vast segments of the public domain. True, in the technical sense the British interests had, and in the 1880's were, violating the laws of the United States concerning the public domain. But this was not limited to foreign investors, nor was it as calculating as it might at first appear. Faced with unrealistic land laws all types of schemes were used by domestic and foreign groups to avoid the problems of land control by either the government or the smaller rancher or farmer. There

is considerable evidence that Scottish investors tried to keep track of the numerous and confusing public laws of the Territories in which they invested.¹⁰

The British financial press, especially the Economist often attempted a summary of the applicable laws recognising as they did that the only means by which such companies could maintain their vast empires in the new world was with a good understand of and respect for American land laws. As the plains became increasingly over-stocked local knowledge, on which so much of the Scottish success had depended, was even more necessary.¹¹ In addition the law firms which were so much involved in the floating of the cattle companies, tried through the British Foreign Office¹² and their own agents, to keep abreast of the local land laws.

In the 1880's property concentrated itself in land holdings and fenced areas became a mark of ownership. But it was more than control that was needed by the middle of the decade. By then it was accepted among Wyoming cattlemen that winter feeding was necessary. Few adopted this to the extent that either Western Ranches or the Swan Land and Cattle Company did, but it was generally accepted. Fencing was seen as a means of protecting ranges where over-grazing could be detected. By 1884 a good many of the larger companies had begun to risk fencing. The Scots were particularly involved in this. The Scottish had for a long time defined the boundries, at home, with hedgerows and stone fences. They felt the need both of defining their land holdings and to prevent the mingling of incoming stock or the straying of their own herds. They were particularly appreciative of the Ellwood Wire Works' new barbed wire which was selling then at only £4.3.7 a hundred pounds. Ellwood started manufacturing in 1874 but it was into the new decade before western

interests were to make his firm so important. Scottish demands were a primary reason for the quick acceptance in Wyoming.¹³ By 1885 some 80,000 pounds had been sold at an average of £2.10 a pound.¹⁴ The Scots were, also then, a major reason for the small ranchers and settlers unrest. When they began to feel they were "wired out" of the public domain the cry was heard: "Down with the fences."

It was to be upon these enclosed sections of public lands that the battle raged. It was increasingly clear, as the years went by however, that while enclosures were the battle cry foreign investment and control was the enemy.¹⁵ The Federal government began an early campaign against the enclosures in late 1883. The following year M. C. Brown was appointed United States Attorney to Wyoming with orders to push for the removal of fences that enclosed the public land. The General Land Office in that year reported 125 cattle companies guilty of running such fences. Swan Land and Cattle Company was among these. Under considerable pressure¹⁶ Swan removed 150 miles of fence the following year.

Pressure was also to restrict the size of foreign land holdings. Tait, Denman and Company asked the Secretary of the Interior to clarify the position. They reported that they had over £5,000 invested in the Territory and if a bill passed limiting ownership to 30 square miles it would create a great financial hardship.¹⁷ He had clients, he said, who already owned 30 times that.¹⁸ Congress entered the discussion with one Congressman reporting: "In the Territory of Wyoming there is one tract of upward of 400,000 acres occupied by a foreigner, a nobleman, some Scottish lord, whose name I will not undertake to pronounce to the House . . . he employes all foreigners . . . and yet owns not an acre."¹⁹

The Secretary of the Interior replied to Tait: "It is contrary to national policy, and would be antagonistic to the sentiments of the country, to permit the appropriation of public lands in large quantities, by individuals or corporations, whether native or foreign. It is not, in my opinion probable that the restrictions upon the alienation of land of the public domain will be so removed as to allow the acquisition²⁰ of little beyond existing limitations."

The discovery of land frauds added fuel to the fire. In Wyoming alone ten fraudulent land claims were discovered under the Desert Land Act which affected the enclosure of 250,000 acres of prime grazing lands. More than 125 cattle companies in Wyoming operated with illegal fences, a figure which included several British companies and the three Scottish²¹ companies.

In 1885 after discussing the point for half a decade, the United States Congress gave the President the power to have fences removed when they enclosed public lands. On the 25th of February 1885, legislation²² gave teeth to previous land laws. In August of that year President Cleveland opened the campaign by ordering all cattle removed from Indian Reservations. In the meantime Congress continued its investigation and in the following year determined that 29 alien companies were active in the occupation of public domain and that they controlled over 20,747,000²³ acres.

Closely tied with this concern over enclosures was the basic fear^{*} that the land was running out. The immigrant's feeling that "the free land" was slipping out of their hands resulted in a demand for protection.

* See table number 8 on page 216.

Table No.8Land Taken In Wyoming 1881-1889.

<u>Year</u>	<u>Homestead</u>		<u>Desert Land</u>		<u>Timber Culture</u>	
	<u>Claims</u>	<u>Acres</u>	<u>Claims</u>	<u>Acres</u>	<u>Claims</u>	<u>Acres</u>
1881	77	10,997	107	34,282	5	784
1882	149	20,454	102	33,294	20	2,284
1883	220	32,357	324	139,155	98	14,204
1884	386	58,311	1,109	489,001	34	46,027
1885	477	79,989	1,000	402,000	460	67,243
1886	600	83,075	660	256,450	663	100,167
1887	722	109,980	267	94,490	505	74,989
1888	699	108,203	220	73,782	360	53,260
1889	<u>788</u>	<u>123,120</u>	<u>146</u>	<u>46,638</u>	<u>320</u>	<u>46,985</u>
	4,118	626,486	3,935	1,569,092	2,465	405,943

Compiled from Film No. 1 -2, NIS 156, University of Wyoming, Laramie.
(General Land Office, National Archives.)

This was supported by those who felt the threat of foreign mortgage holders. The land hunger of the small rancher of the Midlands was a part of the story but the movement of settlers into western Kansas, Nebraska and South Dakota was also a part. For the agitation of the plains farmer for land protection was to have a most lasting effect as his demands for protection produced laws which spilled over into the Midlands. ²⁴

In Wyoming spotted settlement brought angry immigrants against the fences of alien companies and demands were made for reform. R. V. Clements points out that much of the problem was local, as Britons became scapegoats for the lack of water, poor timber, and barren country. As the concern arose they linked "alien" ownership with those suspicions inherent in the idea of absentee landlordism. On the other hand, British fears of loss of land through these efforts and the affect on their investments, fell on unsympathetic ears. ²⁵ This anti-alien feeling in the West sprang from suspicion and fear of British and Scottish capitalists ²⁶ who "were acquiring control" over millions of acres of land.

Agitation against alien ownership finally came to a climax in laws ²⁷ which became effective in March of 1887. While restrictive they did not limit areas already held. In the main it prevented individual or collective aliens from owning real estate in the Territories except as inheritance or for the collection of debts. ²⁸ The New York Times as usual said it was the fault of the British, "foreign investor should understand the American people do not desire to shut out European capital, but propose that it shall be invested, if invested at all, honestly and in accordance with the spirit of our institutions". The Scottish Banking Magazine reported: "In a few years every acre of unoccupied land will be

needed. The Government need not wait long, therefore, to find customers²⁹ who will make better use of the land than these non-resident foreigners". The 1886 report of Commissioner Lewis Payton added to the upset. He estimated 20 million acres held by small alien land owners in the West, also many large firms and individual holdings which totaled nearly another 21 million. While exaggerating the case, this caused considerable³⁰ reaction, particularly against the British.

State legislation against the control of land by foreigners was as varied as the States. Clements points out that "the geographical distribution of this state legislation emphasized the largely agrarian character of the agitation against British land investments." For on the whole the Midlands, where farming was less popular, were far less restrictive. Montana and New Mexico never passed laws which would limit foreign capital in land; Colorado passed a rather harsh law, amended it, and within four years repealed it. North and South Dakota were lacking the alien population and investment which would have made land control³¹ laws profitable. Wyoming where cattle interests held a great deal of control and where it may be said that the relations between British and American owners was generally good, was disinterested in restrictive laws³² until the appointment of Governor Moonlight.

Every effort was made in Great Britain to keep track of these laws and the legislative moods of enforcement. Unofficially the Economists carried periodical reports and the British Foreign Office tried to keep³³ track of the completely confusing state laws. It was increasingly obvious that land control was becoming a major issue. The forerunners to the populist movement were spreading westward faster than the farmer, and social evils were linking themselves to land control. And while the farming

and mining development was subordinate to cattle in Wyoming, the populist concept came through with some unique attachments resulting from Wyoming's rather unique social and economic response.³⁴

The Cheyenne Sun of 1887 reprinted a Buffalo Express (New York) letter which stated the feelings of many. "I venture to say that a man with 1,000 acres of the choicest of their (Wyoming) land in his own right would starve to death upon it, but for its usefulness for its connection with the range-cattle business. It is a fact that actual settlers who had come with any other purpose . . . have been compelled to engage in some other business, and as a rule are dependent of their very bread upon the charity of some stock men. It is nothing but an act of humanity to warn honest laboring men against coming to Wyoming . . . for the purpose of agriculture."³⁵ Thousands of these letters were reprinted and sent out by the cattle barons in an attempt to soften the pressure against them, but they could not stop the movement which was limiting their use of the "free grass" and the profits that went with it.

British involvement in national and state debts, municipal bonds and even railways were not basically personal and because of this they caused very little resentment in the Trans-Mississippi West. But land is very personal and the British, particularly the Scottish, involvement was often first hand. The fact of alien ownership was very obvious. Thus the social and political significance was recognised with a like, if not greater impact, than the economic.³⁶ Westerners under the influence of the farmer's revolt were not inclined to consider foreign ownership in a favourable light.

Another factor which must be considered in the general decline of the foreign owned ranch company is that of the developing "beef trust" and the

failure of those individual and collective efforts to oppose it. This was a problem that foreign and domestic owners shared. In effect the beef trust was a monopoly made up of the railroad and stockyards and controlled by the large meat packing operations. The trust operated by ownership and control of the commercial side of the cattle business in ways that primarily controlled the price of meat. The trust was made up of the big five: Swift, Armour, Morris, Wilson and Cudahy. At the height of their operation, around the turn of the Century, they owned 514 companies and controlled 762 more dealing with every phase of the cattle operation from loans to newspapers.³⁷

Several methods were tried to fight the trust though only the Grange and its political pressure had any real success. We have discussed the unsuccessful efforts of Moreton Frewen to meet this challenge by exporting directly to Great Britain from his own plant in Wyoming. A more concentrated effort was made by the American Cattle Trust organised in 1887 with headquarters in New York. This was actually a Wyoming effort, however, with Wyoming ranchers Thomas Sturgis as Chairman of the Board of Directors and Francis E. Warren as Manager. This trust was made up of many herds and tried to provide a variety in ranges, economy of range, management, feed lot operations, and packing. It purchased a two million dollar plant in 1889 for this purpose. At one time the trust controlled some 1,218,934 head of cattle with resources of over \$1,700,000.³⁸

The trust was unsuccessful largely because of suspicion among members located in Wyoming, Colorado, Texas and New Mexico. Opposition by the packers; failure of the trust members to support joint efforts; expectation of better prices; and the financial instability of the trust

led to its liquidation in 1890. The effort to recapture the high days of the cattle industry, and to control the beef trusts, both ended in failure.

As if man was not making enough trouble for himself, nature interfered on two significant occasions in the decade following 1880. The winter of 1886-87 has been mentioned in the individual companies but needs some comment here. Almost as a preamble to disaster the winter of 1885-86 had been very severe. Many ranchers suffered losses and the diminished calf count of Midlands companies indicated just what a set back this had been. The following summer was abnormally dry and the grass was particularly low. Snow began falling early in November of 1886 and continued, apparently, through December and January. The Daily Boomerange reported in February of 1887 "the snow on Lost Soldier division on the Lander and Rawlins stage route is four feet deep, and frozen so hard that the stage drives over it like a turnpike".³⁹

Cattle froze where they stood and temperatures dropped 20 degrees below zero. The cold crusted the snow so that the hardy grass, usually sticking above the cover, was unavailable. The crust also prevented the snow from being eaten and many of the beeves died of thirst as well as from the cold. Every indication was that it was a devastatingly severe winter but just how much this really affected the cattle count is open to serious question. Unfortunately weather records for November, December and January are "unavailable because of the sickness of the observer"⁴⁰ but the United States Weather Bureau Reports for October to March 1886-87⁴¹ indicate only .60 of an inch of moisture.

As to the decline of Midlands cattle there is a quantity of conflicting information depending on whether you are reading from the assessors records or stockholders reports. The most exaggerated were Wyoming and Montana publications which suggested a decline of somewhere ⁴² between 80% and 92% of the herds.

The assessments taken for the various county tax evaluations estimated the loss at 15% and then decreased the head evaluation by 30% to make up for the loss of weight in the surviving cattle. The validity even of these assessment figures is suspicious since lower assessments were sometimes politically gained. In 1885 the assessment count was 894,877; the 1886 census stood at 889,121 while at 753,648 in 1887. A loss certainly, but hardly large enough to account for all ⁴³ the cattle removed from company books. In July of 1887 F. E. Warren reported to Thomas Sturgis that nearly half of all the cattle in the ⁴⁴ Powder River area had perished. Under the circumstances this is very hard to support.

Had Wyoming, or even the Midlands, been the only beef producing area in 1887 the favourable supply-and-demand situation would have been very good and high market prices would have helped compensate for the winter losses. But this was not the case. The whole western United States had suffered from the effects and cattle poured into the markets as range managers tried to raise cash for continued operations. As well the country was suffering from an economic slow down and there was a lessening demand for cattle. The long dry summer, small corn crops, a lack of ready cash and a rash of commercial failures all contributed, along with the harsh winter and heavy selling, to crowd markets at Chicago, Kansas City, Omaha and St. Louis. Beef prices were down.

It may simply have been a case of the final straw breaking the camel's back, but the winter, taken chronologically or as a disaster, marked a major turn for the worse for most cattle companies in Wyoming. The degree to which the winter was the cause cannot really be known but the blizzard made an excellent excuse for a new count. In the nine chief companies with British ownership, representing paid up capital of nearly £3,750,000 only one issued a dividend in 1886 and none in 1887.⁴⁵

During this time there was an important change in outlook. The direction of Wyoming promotional literature was shifting from large cattle investments to homesteading. The cattle industry itself was entering a phase of small ownership, which would replace the larger companies, and which would lease rather than control public domain. It was also the beginning of a far more scientific approach to cattle raising, one which would decrease the dangers of a violent winter. In 1890 there was still more than 80% of Wyoming in the public domain but more grazing land was not the solution. Instead land was increasingly devoted to haying and to the improvement of pastures. The amount of land given to haying was increased ten times from 1880 to 1890 and by ten again by the close of the Century.

One aspect of the decline of English and Scottish cattle companies in Wyoming lies in the conflict between management and ownership. In one of the few articles to appear on the western cattle business in British popular journals John Baumann drew attention to the poor management and invalid inspection that characterised the British ownership of ranches. Such reckless management costs "no less than 15 or 25% of the

entire herd" he had written. For in the main these ranches are entrusted at high salaries "either to a fine gentleman, unfitted by physique or inclination to face the hardships and monotony of prairie life, or to a retired cattleman, who had has his turn at rough work and is now keenly appreciative of the comforts of civilization." Periodic inspections conducted from the seat of a hooded buggy drawn over the best and most impressive land doesn't help much either. ⁴⁶

These criticisms were not as valid in Wyoming as they may have been in other places, but the shadow of mismanagement hung there as well. The Scots were never so guilty as their English neighbours however. In Wyoming it had been the Scottish custom, as in the case of the Swan Company and the Powder River Company, to take the American seller on as manager. He held part of the business and they felt he would be committed to the success of the company. This didn't work out too well and the original managers at the Swan Company, Powder River, Wyoming Cattle Ranch and Western Ranches had to be replaced in time by more "obedient" or at least more committed men. Even John Clay, strongly tied to the Scottish interests, expressed considerable unrest and finally broke with them. The nature of the business was such that it demanded a personal involvement and participation that was difficult to find in the owner-manager relation. Business was conducted too far away, and was too daily, to be carried on efficiently in Dundee or Edinburgh. Yet, at the same time the Scots were often willing to free their local managers from strict control but did demand of them basic restrictions of corporation control. As well, vendors were known for demanding a larger return and more policy influence than their Scottish backers were willing to give.

One immediate problem was that surveys conducted on Wyoming property and herds did not turn out to be as efficient as they should have been even though they were carried out by experienced men as well as corporation directors and large shareholders. Clay, who conducted a good portion of the Scottish investigations, did not catch the poor grazing lands of the Seventy-One Quarter Circle Ranch. Other investigating officers like Pringle at the VVV Ranch, Thomas Lawson, Colin Mackenzie and George Strathmore at the Swan Land and Cattle Company ranches were also "fooled" or at least uninformed enough to see weaknesses that became apparent as soon as the companies got on the ground. The loss due to faulty book count can be laid at the feet of the directors rather than the investigators since book count was agreed to, in every case in Wyoming, by the Scottish investors. The fact that this was generally done was really no excuse for Clay, a man they seemed to trust, warned them repeatedly of the dangers of book count.

Loss through decreased cattle prices was not expected either. But it was an outcome that may well have been anticipated resulting from the over-stocking of the ranges. After a serious loss in the mid-1870's cattle prices had risen quite steadily from £0.9.4 a hundred weight on the hoof in the year 1877 to nearly £1.13.4 a hundred in 1882. The increasing supply of meat coming out of the West had opened new markets in refrigerated bulk that reached over 13,000,000 in 1880 and 120,000,000 in 1884.⁴⁷ Live exports listed at 24,982 in 1878 were up to 169,257 in 1884 and had frightened the British. The cry of "sick cattle" became the excuse for limitations.⁴⁸

Prices were falling by 1884 and declined again the following year. Poor winter and fear of government land policies pushed sales of cattle

not yet ready for the market. Swan's prices dropped nearly £2.1.8 per head, Powder River and Western Ranches recorded drops of over £1.1.0 per head. The winter of 1886 further flooded the market now with emaciated steers forced on the market by the great demand for working capital, and prices fell even lower. In 1887 Chicago prices were averaging about 10s 1d to 15s 7d per hundred weight⁵⁰. They stayed very low in 1888 and 1889 but by 1891 they were on the rise again. But this late boom was too late to help many of the foreign companies.

It is somewhat ironical that the decline of large cattle holdings in Wyoming in which the Scots were so heavily involved, should come about in part through the efforts of a fellow countryman. In January of 1887 President Cleveland appointed Thomas Moonlight as Governor of Wyoming Territory. Moonlight replaced F. E. Warren and temporary Governor George W. Baxter, both of whom had been removed because they were offenders in the fencing of public land. Moonlight had been born Munlichty in Forfarshire (now Angus) Scotland in 1833 but had emigrated at an early age. He settled in Kansas, served with distinction in the Civil War and with force, but little success, as a Colonel with the 11th Kansas Infantry against the Sioux in Wyoming.

Probably greatly influenced by the 160 acre homestead which had populated Kansas, he came to Wyoming dedicated to the cause of the pioneer farmer and pledged to curb the power of the large cattlemen. He envisioned a large number of small "family ranches" of about 1,120 acres, each close enough to the public domain that any and all could use⁵¹ the grass lands to their best advantage.

Table No.9

Realized Price per Head for Representative Companies and Prices at Major Markets.

<u>Year</u>	<u>Prarie</u>	<u>Matador</u>	<u>Swan</u>	<u>Western Ranches</u>	<u>Powder River</u>	<u>Chicago*</u>	<u>St. Louis*</u>	<u>Liverpool*+</u>
1883	25.00	30.00	40.40	31.58	36.17	5.40-5.70	5.25-6.00	6s 3d
1884	29.95	23.60	40.67	35.15	35.01	6.00-6.25	5.40-6.15	6s 2d
1885	20.75	28.50	36.62	37.81	31.01	5.74-6.10	--	5s 6d
1886	17.90	21.14	28.14	27.25	-----	3.85-4.55	3.75-4.50	-- --
1887	18.84	16.41	29.43	28.90	-----	3.80-3.90	3.95-4.10	5s 8d
1888	19.87	19.04	35.24	47.38	-----	3.20-3.80	3.20-3.70	5s 2d
1889	16.40	17.66	26.83	27.16	-----	3.35-4.25	3.35-4.00	-- --

* Prices on Good and Choice 3 Year Olds, per hundred.
+ Per stone

Compiled from Company Records and Cheyenne and Chicago Newspaper Reports.

In his report to the Secretary of the Interior in 1887 he included a quote from the Laramie Sentinel. "At no period of the world's history has any nation or people who devoted themselves exclusively to stock-raising ever risen much above semi-barbarism in science, progress, and general intelligence, and we regard it as a fortunate thing that in the first contest, Cain the tiller of the soil, killed Able, the stock-grower."⁵²

Moonlight was to bring leadership to the anti-cattle forces developing in the Territory. He interpreted the heavy shipments following the winter of 1886 as the liquidation of large cattle holdings and welcomed depression in Wyoming which he felt would result in massive immigration as "Land for the Landless" became possible. Good settlement land such as the Fort Bridger Reservation was wanted for settlers -- 250,000 people by 1890 -- living on small farms and ranches. Farm production was the future and would replace the steer and horse as the wealth of Wyoming according to Moonlight.⁵³

In his efforts Moonlight ran up against the now declining power of the Wyoming Stock Growers Association. This very important body had a long and colorful history dating back as far as the Wyoming Stock Graziers Association representing only ten men with some 20,000 head of cattle. In 1879 the name was changed and its membership expanded, rising from 20 to 80 by 1879 and 195 by 1882. Scottish company employees were well represented in this membership. In 1882 the legislature had an Association membership of nearly 50%.⁵⁴

In 1884 under considerable pressure the legislature passed the Maverick Law which gave the Stock Growers Association control of Wyoming roundups and provided for the sale of mavericks to meet the expenses of

the Association. These funds went primarily to paying the wages of a series of detectives.⁵⁵ Much to the advantage of the large companies roundups were conducted by mixed crews in 32 sections under the control of the Association. Non-members, usually the small ranchers, found themselves at a great disadvantage for it was illegal, after this, to brand stock in Wyoming prior to the Association roundup.

By 1885 membership had expanded to include major stockmen from Colorado, Nebraska and the Dakotas and had over 400 members owning about 2,000,000 head. In Wyoming they dominated legislative committees dealing with stock and were often the de facto government of the Territory. By 1887, however, there were too many "grangers" in the Assembly and with Moonlight's appointment the small stockman was able to meet the challenge. Control had been easy in the early days but the days of declaring the opposition "unlawful" were coming to a close. The Association, created "for the general advancement of cattle and sheep growing in the Territory" was being called into question by sheep herders and farmers.⁵⁶ The loss of political power became most obvious during the legislative session of 1888 when the Association only averted the repeal of the Maverick Law by having the authority transferred to the Board of Livestock Commission. Membership dropped and by 1890, the year John Clay became President, even the Association members were aware of their position.⁵⁷

The conflict between the two factors came to a head in what has been termed the Johnson County War. The story of the war has been told often and does not need retelling here. But a brief mention is important for two reasons: One, it marked the end of profitable cattle investment in Wyoming for the large companies and secondly, because it involved

Clay and others of the Scottish community.

Failing to get satisfaction for small stockmen and farmer's raids on their herds a group of ranchers caught James Averell and Ella Watson (Cattle Kate) and lynched them on 20 July 1889. Kate was a woman of reputation who was said to have traded her affections for stolen cattle. The affair caused some embarrassment for Wyoming just gaining statehood but the six men involved were released after witnesses failed to show up. The literary war began at once between Laramie editor James Hayford who saw the affair as the beginning of prolonged conflict and Asa S. Mercer of Cheyenne calling for more blood.⁵⁸

The conflict continued with stockmen claiming that Johnson County was a hotbed of crime against the large companies. John Clay, President of the Wyoming Stock Growers Association was approached in 1890 by Frank Wolcott. Wolcott had a plan for an open attack designed to clean out the "rustlers". Clay says that he refused to be involved and that that was the last he knew of it. Plans continued, however, and W. C. Irvine, George Baxter and Wolcott were involved in setting up the invasion of Johnson County by a group of 24 imported Texans.⁵⁹

Official involvement of the Wyoming Association is denied but there is adequate reason to believe that both the Association and Clay, as its president, were involved.⁶⁰ On Tuesday, April 5, 1892, a special train carrying the "marshals", Wyoming stockmen and equipment left Cheyenne. They carried with them, according to Irvine, a death list of some twenty men nominated by the Association. After skirmishes at the K. C. Ranch they were met by an opposing force of nearly 200 men led by yet another Scotsman, Sheriff "Red" Angus.⁶¹ Sheriff Campbell of Douglas, "one of the Britishers", was informed of the raids and told to

roundup all suspects. Two of Campbell's County Commissioners were Wolcott, with the invaders, and E. T. David, Judge Carey's ranch foreman who had been responsible for cutting the telegraph wires so the "rustlers" could not be warned.⁶² Forces from Fort McKinney joined and soon the invaders were delivered to Fort Russell, near Cheyenne, to await trial.

It would be an overstatement to suggest that the State was aroused. It might be valid to say, however, that it was the last stand on the part of the large firms to control the State. The Cheyenne Sun in defence wrote: "let us have no namby pamby sentimentalism about the killing of a few stock thieves".⁶³ The Rock Springs Review commented "our sympathy, of course, is with the men who dared to do for themselves, that which the law seemed powerless to do for them".⁶⁴ And the Laramie Sentinel was mildly critical: "of all the fool things the stock association ever did this takes the cake".⁶⁵ The Lusk Herald was more upset; they felt the invaders had "proved themselves blood-thirsty murders and should be given the full extent of the law".⁶⁶ The Stock Growers Journal under Asa Mercer, had turned against the Association and published some "confessions". The issue was seized and declared obscene by the Cheyenne Postmaster.⁶⁷

No punishment was ever declared. Neither payment of the court costs nor the selection of jurors was settled and the matter was dropped. The cost of the invasion, according to Irvine, was £22,000 paid in time by over a hundred men including Senator F. E. Warren, Judge Carey, John Clay the President and Hiram Ijams the Secretary of the Wyoming Stock Growers Association.⁶⁸ Mari Sandoz condemns Clay and his Scottish backers for instigating the invasion. They had in mind the elimination of small

ranchers who were pressing in on companies owned by, or owing money to, Scottish financial houses. The fact that Clay was "fired" from his position of manager of the Swan holdings, along with his range boss William Booker, also a member of the invasion team, leads her to suggest that he had "failed" in his assigned task.

Mercer who became completely anti-cattleman, was to use the Stock Growers Journal to accuse Clay of murder. Clay was also accused of lending employees from his Scottish dominated firms to the invaders. He cited C. A. Campbell, William Booker, E. W. Whitcombe and Frank Wolcott as well as A. D. Adams the Scottish manager of the Ferguson Land Company as active participants in the raid. Mercer's book, The Banditti of the Plains, attacks the invaders but the book does not accuse Clay personally.

Clay who was in Scotland on the day of the invasion, wrote "I am as innocent as an unborn babe. From the time Wolcott spoke to me till I saw the telegraphic dispatch in the Irish paper, I had not even a hint of the impending trouble". He did say later, however, that the invasion had been a necessary one and did in fact "clear the air in Wyoming".

The "indefensibe" invasion marked the decline of major Scottish cattle investment in Wyoming. Not because of their involvement, however much this may have been, but because Wyoming was entering a period which the Laramie Boomerange summed up as "essentially a conflict between range monopoly and the homesteader; between the existence of the farmer and the profit of the cattle syndicate . . . the old fight between the toiling many and the moneyed few".

Chapter Eleven: Notes

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2. The Economists 12 May 1888. The Edinburgh Courant 6, 27 February, 18 March 1884. Scottish Banking Magazine 7 April 1883.
3. Tait, 42.
4. Pall Mall Budget 18 February 1871, 13. Scottish Banking Magazine 6 February 1879.
5. The Edinburgh Courant 11 February 1884.
6. A quick investigation of Wyoming newspapers would indicate several of these. See Dick, Everett The Lure of the Land. Lincoln: University of Nebraska Press, 1970, 221, 388.
7. Ibid., for land laws.
8. Marwick, W. H. "The Limited Company in Scottish Economic Development", Economic History, III (1937) 427. The Edinburgh Courant 12 January 1885.
9. National Live Stock Journal August, 1885, 337.
10. Clements, Roger V. "British Investment and American Legislative Restrictions in the Trans-Mississippi West, 1880-1900", Mississippi Valley Historical Review, Vol. XLIII, September 1955, 224-228. Jackson, W. Turrentine The Enterprising Scot. Edinburgh: University Press, 1968, 113.
11. For example see Contemporary Review, 1868, Vol. 9, 342-356; Scottish Banking and Insurance Magazine, Vol. V (April 7, 1883) 71, 80. The North American Review, Vol. 133, 1881, 204 and The Economists for this period.
12. Bolton-Smith (Carlile) Collection, Washington, D. C.; Norman Nelson Papers, Gowowitz Collection, Douglas, Wyoming.
13. Conversations with Russell Thorp. WPA "Grazing File" WAH. The Prairie Cattle Company had 700,000 acres under fence at one time. Isaac Ellwood was later "Baron of the Spade Ranch", Wallis, George Cattle Kings of the Staked Plains. Denver: Sage Books, 1964, 107.
14. Kraenzel, Carl. The Great Plains in Transition. Norman, Oklahoma: University of Oklahoma Press, 1955, 130.

15. The Edinburgh Courant suggested in 1884 that Wyoming might pass laws which would protect present occupants on illegal land by granting them automatic leases. 10 July 1884. For an American view of the idea see North American Review, 132, 204.
16. Laramie Leader 29 January 1883. Judgment against Swan Land and Cattle Company at the Supreme Court of Wyoming Territory. Brainard's Legal Proceedings, 267. Congressional Record (House) 31 May 1884, 4772.
17. Russell Thorp to author, Summer 1966.
18. Congressional Record (House) 31 May 1884, 4723; note of 27 March 1884.
19. Ibid., 4771 3 June 1884.
20. The Edinburgh Courant 10 July 1884.
21. Ibid., 9 September 1884. Thomas Le Duc challenges the usual assumption of land fraud but offers no evidence to change the generally held view. "The Disposal of the Public Domain on the Trans-Mississippi Plains: Some Opportunities for Investigation", Agricultural History (October, 1950) 109.
22. Ibid., 25 August 1885. The Economists July, August, September, and especially 22 August 1885. For western American reaction see The Cheyenne Sun, March and April, The Daily Boomerang of March 1885 and the Denver Republican, 1885. Senate Executive Document, 48th Congress, 1st Session, Vol. 6, No. 7, Serial 2167, 2. The law provided a year in prison or a fine of \$208. for maintaining fence on public lands. Dick, 252-253.
23. Sandoz, Mari The Cattlemen: From Rio Grande Across the Far Marias. New York: Hastings House, 1958, 247. Clements, 210.
24. See Dick's excellent study of public land use and abuse; especially Chapters XII, XIII, XV.
25. Clements, 207, 211.
26. Gates, Paul Frontier Land Lords and Pioneer Tenants. Ithaca, New York: Cornell University Press, 1945, 341f, 461.
27. Ibid.
28. U. S. Statutes at Large XXXIV (1887) 476-477. Digest of Public Land Laws (June, 1968) Washington D. C., 167. It also required that 4/5 of the stock of any corporation acquiring real estate in the Territories must be held by United States citizens. Nor could any foreign company own more than 5000 acres except those involved in transportation and communications.
29. The New York Times 11 April 1887. Scottish Banking Magazine 7 June 1885, 155.

30. Clements, 220-221. Federal involvement was urged by both the Republicans and Democrats who suggested limitations and by the Greenbacks who urged prohibition of alien ownership. See Standwood, E. History of the Presidency. Boston, 1898. Summary of Party Platforms.
31. The reluctance to invest in the Harvey Peak Tin Company, Ltd., in the Dakotas can be traced to suspicion of the promoters rather than as reaction to federal land laws as has often been stated. Clements, 226.
32. Clements, 220-221.
33. Ibid., 224.
34. Griffith, David "Populism in Wyoming", Annals of Wyoming, April, 1968, 57.
35. The Cheyenne Sun 8 April 1887.
36. Clements, 135.
37. Sandoz, 463.
38. Gressley, Gene Bankers and Cattlemen. New York: Alfred Knopf, 1966. Larson, T. A. "The Winter of 1886-87 in Wyoming", Annals of Wyoming, January, 1942, 31.
39. The Daily Boomerange 10 February 1887.
40. Larson, 6.
41. "The Magic City of the Plains: Cheyenne 1867-1967", Centennial Historical Committee, 1967, 55. Cheyenne Weekly Leader 10 February reported "no unusual loss during the present season" but Wyoming papers were united in their unwillingness to print bad cattle news.
42. The Bismark Weekly Tribune 8 July 1887. Northwestern Livestock Journal April, June, 1887.
43. Crook County loss was 45%, Carbon 23%, Albany 15%, Johnson 10% and Laramie 5%. County Tax Assessors Records, WAH. National Archives Department of the Interior, Appointments, Governors (Wyoming). Gressley, in Bankers and Cattlemen, feels the winter losses were greatly exaggerated (57) and "The Magic City of the Plains" agrees (53). Lewis Atherton in The Cattle Kings feels the hard winter hastened the decline but did not cause it (169-170). Also see Larson, loc. cit. Doubts are supported by the lack of bodies found. Had "mother earth called them back?" Smith, 46-47. The figures listed above differ from the assessment records compiled by the Agricultural Department Bureau of Statistics.

44. F. W. Warren Trust Book No. 9, 10 July 1887, WWHC. He points out, however, that this winter will frighten out those who have been overstocking the range and give new grass a splendid growth for the next year.
45. Clements, 221. The Economists 12 May 1888, listed Wyoming as "a land of blizzards too far north for successful raising of cattle on the open range" as one of the reasons for cattle failure.
46. Baumann, John, "On a Western Rancho", Fortnightly Review, 1887, XLins, 517-519. See J.R.E.S. "Why the English Ranchman is a Failure", Longman's Magazine, 26, (1895) 59.
47. The largest part was going to Great Britain, 1884 \$3,650,000 out of \$3,720,000 as well as 88.7% of cattle products. Dale, Edward E. The Cattle Range Industry 1865-1925. Norman, Oklahoma: University of Oklahoma Press, 1930, 77-78.
48. The Economist 14 August 1880 pointed out that restrictions on imports was to the advantage of the consumer. The Statist 10 October 1885. Nimmo, Joseph The Range and Ranch Cattle Business, Executive Document 267, House of Representatives, 48th Congress, 2nd Session, Washington 1886, 267.
49. Chicago News Release 8 October 1887. Breeder's Gazette 6 October 1887. Livestock Journal 8 October 1887.
50. Ibid., August and September 1887. Breeder's Gazette 29 September 1887.
51. Beard, Frances B. Wyoming, From Territorial Days to the Present. American Historical Society, 1933, 392. Also Beard Papers, unpublished notes for articles, WAH.
52. Quoted in Jackson, W. Turrentine, "The Administration of Thomas Moonlight 1887-1889", Annals of Wyoming (January, 1946) 147-148.
53. Reports of the Governors of Wyoming, Moonlight, 1887.
54. Wyoming Stock Growers Association archives, Cheyenne and Laramie, 1882-1887. Included are Lists of Members, By Laws and Reports of the Association, WWCH. Cheyenne Daily Leader 27 October 1871.
55. Laws of Wyoming Territory, 1884, Session 8, 148-152. The law defined Maverick as any unbranded cattle.
56. Wyoming Tribune 15 April 1871.
57. Minutes, Wyoming Stock Growers Association, WWHC.
58. Laramie Boomerange August 1889. Northwestern Livestock Journal September and October 1889. The WSGA records indicate Mercer was financially dependent on the Association.

59. Larson, T. A. A History of Wyoming. Lincoln: The University of Nebraska Press, 1965, 269-275.
60. The Association records are blank. Maurice Frink who wrote the official history says there was no official connection even though individuals were involved. Lois Van Valkenburgh's "The Johnson County War" (MA University of Wyoming, 1933) has used the papers of W. C. Irvine and Charles Bingham Penrose and she reported the Association was involved. Both Clay and the Stock Growers Association are attack by Mari Sandoz, Aca Mercer and Helena Huntington Smith in their accounts of the fight.
61. Robert, David Malcolm Campbell, Sheriff. Casper: Wyomingana, Inc., 1932, 69. Irvine Papers.
62. Sandoz, 379-380.
63. The Cheyenne Sun April 1892.
64. The Rock Springs Review 10 April 1892.
65. The Laramie Sentinel 13 April 1892.
66. The Lusk Herald 7 April 1892.
67. Smith, Helena Huntington, "George Dunning: Mystery Man of the Johnson County Invasion", Montana Magazine of Western History, Autumn, 1963, 46-47.
68. F. E. Warren Papers indicate his help after the invasion but not necessarily before. Judge Carey burned his papers. Russell Thorp to author. Thorp was a long time Secretary of the WSGA.
69. Sandoz, 401-402
70. Ibid., 358. Stock Growers Journal 11, 23 August 1892.
71. Mercer, loc. cit.
72. Clay, 269.
73. Ibid., 277.

Chapter Twelve: Additional Investments in Wyoming

Obviously cattle was not the only investment industry in Wyoming. It overshadowed any other activity in size and duration but there were some investments in rails, sheep and mining. In rails investment was usually in companies which crossed rather than originated in the Territory; in sheep the investment was by the migration of men as well as money; and in investment in mining the involvement was usually through English registered companies.

There were no explicit investments in railroads in Wyoming Territory by Scottish investors; that is, no companies designed to operate as Wyoming companies. This does not mean that there were no railways crossing the Territory which operated in part on Scottish funds. Primarily these were American owned companies which drew considerable funds from England and Scotland. In the 1850's most of the investment in American rails was growth investment drawing little attention from rentiers who could make more elsewhere. The amount of this early British investment was estimated at from £12m to £24m.¹ During the 1860's and 70's the marketing of railway bonds increased. With it came an active increase in British participation in the affairs of the American railroads.² There was a certain reluctance to enter into the speculative transcontinental lines at first.³

Much of the transfer of western rail securities was accomplished by the banking houses in New York that were in correspondent relationships with British Houses: J. G. King and Sons (Baring Brothers), August Belmont and Company (Rothschilds) and Duncan, Sherman and Company (George Peabody and Company). The last was a partnership of Watts Sherman and

Alexander Duncan, a Scot, whose House was formed in the 1850's.⁴ Many of these houses introduced stocks and bonds in railway ventures without public issue.⁵ The Scottish American Investment Company bought directly through its own agents in New York and as this proved out they were able to avoid much of the loss that occurred during the various railway crises.⁶

The Scottish American Investment Company, Ltd. started its investment effort with £50,000 in Midwestern railway securities of which the Union Pacific was one. The Union Pacific was the midwife to Wyoming Territory. It was originally capitalised at nearly £21,000,000 plus ten alternate sections for each mile laid. Of this amount a great deal was floated in London, Edinburgh and Glasgow with a large number of Scottish investors buying through the Exchange in Glasgow.⁷

Wide spread Scottish investments were made also in the Oregon Short Line Railroad which connected the Pacific Northwest with the Union Pacific at Granger, Wyoming. This line was completed in 1884.⁸ The Short Line, as well as the Northern Pacific and Burlington were a part of the 82 American securities quoted on the London list which amounted to a nominal capital of nearly £450,000,000, one tenth of which was raised in Great Britain.⁹ The Union Pacific, Denver and Gulf Railway in 1898, a feeder line which ran into Orian Junction, and the Wyoming Central Railway (originally called the Fremont, Elkhorn and Missouri Valley Railroad) were sold on the Glasgow exchange as well.¹⁰

The Denver Pacific and the Denver and Rio Grande were narrow gage lines that moved north through Denver into Cheyenne. The former was marketed in Great Britain by Higgins and Rowsell on 1st mortgage land grants totaling \$1,500,000 and selling at £156 per \$1000.¹¹ The later was quoted in Glasgow in 1870 as the call went out offering £1,546,250 in

12

securities. These were marketed privately in London. This unfortunate rail company collapsed in 1883. It was reorganised as the Denver and Rio Grande Railroad offering 6% at 120.5. The longest narrow gage in the New World it was to be built with no government financing with funds to be solicited from Great Britain and in Europe. William Blackmore floated bonds in Edinburgh and London and British investment was promoted from the very beginning. The railway eventually came under the control of a London Committee which included the investment leader, Robert Fleming. While developing the Denver and Rio Grande Railroad was to call in millions of dollars of Dutch investment and a principle share of the available securities from the English and Scottish investor.

13

The Burlington and Quincy Railroad had a spur line that ran stock east to the Chicago yards. It was called the Burlington and Missouri River Road. Moreton Frewen held stock in this company for his English and Scottish friends along with some land securities promoted by this railroad. These had to pass to American trustees when the alien land restrictions began to limit European owners.

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The Oregonian Railway Company, Ltd. was promoted by Dundee investors with considerable interest in the Midlands. Registered in May of 1880 it was designed to feed lines from the Midlands into Oregon's Willamette Valley. The Earl of Airlie was Chairman of a board which included Thomas Cox of the Scottish-American Investment Trust, William Lowson of the Scottish American Mortgage Company, Ltd. and the Prairie Cattle Company, John Leng, William Mackenzie, and Peter Cochran all of Dundee. They were authorised in December to raise £320,000 share capital and £214,700 loan capital. One line of the proposed company was to run from southwestern Wyoming to western Oregon and was under construction when the

conflict with Henry Villard, and the German backed Oregon Railway and Navigation Company, led to a share loss of 65 shillings in 1884. By¹⁶ March of 1889 the Company was bankrupt at an estimated loss of nearly¹⁷ £470,000.

In the main the Scottish investment was smaller than the English. As well those who invested privately came out with less advantage than those who invested in companies. Those larger investments by the companies of Edinburgh and Dundee tended to be far better and weathered many¹⁸ a railway crisis. The London Financial Chronicle warned in 1874 that the British had been poor investors and their choices had been very¹⁹ unfortunate. The result had been a £43 loss for every £100 invested. However, the Fortnightly Review urged its readers in 1850 to see the advantage of Midland's investment in railways because of the secondary profits to result from the opening up of mining areas and the availability²⁰ of new markets.

In 1874 the Scottish-American Investment Company began pulling out of railway securities in favor of land holdings. A railway depression was coming to add to the losses already suffered in other single venture activities. The Scottish Investor's Manual sounded the decline: "Railroads are the sermons and soda water with which the amateur gambler of the Stock Exchange picks himself up after a carouse on red oxides and²¹ white pine, and even these were diminishing!" The British loss during the 'great railway collapse' was estimated at £70,000,000 with Scotland's share being 15%. This was primarily individual investors as the larger²² companies had gotten out in time.

For some years Wyoming had been discussed as a fabled "El Dorado" which attracted soldiers of fortune living in the expectation that great wealth awaited under the crust of the plains or in the gravel beds of streams moving down from the mountains. The few who made significant strikes had kept alive the promise but in comparison with the states around it, and with the Territories of Nevada, California, and Idaho there was really very little mineral wealth to be found.

My research indicated no Scottish registered mining companies operating in Wyoming 1868-1900. The Midland companies have been discussed previously so I want only to mention here those areas in which there was some Scottish money involved in the Wyoming mining activity. The poor involvement in the Territory is due to the limited metallic wealth discovered there. The most important regions were the copper-silver-gold-area of Encampment, the copper-silver-gold-platinum area of Rambla (Homes) District, the Atlantic City and South Pass gold-silver district, the copper and silver mines at Sunrise and the great coal fields at
23
Rawlins and Rock Springs.

From 1850-1870 panners searched the mountains and word was out that the Big Horn Valley was showing evidence of 'colour'. In 1867 gold was found at Wind River Valley and South Pass and the fever raged there briefly. But the take was small, less than \$450,000 and the miners soon looked elsewhere. A less glamorous but precious commodity came to light in 1868 as the Union Pacific moved westward. Coal mines opened in Carbon in 1869 near Evanston. The Wyoming Coal and Mining Company owned principally by the Union Pacific was a major producer.

A faint hope of riches arose in 1872 when it was hinted that Rawlins and Rock Springs might be the location of an unequalled diamond deposit.

Philip Arnold and John Slack had invested about £7,500 in London to purchase uncut diamonds. After salting the hills along the Wyoming-Colorado border they sold about £120,000 in shares to American, English, and Scottish investors before an American geologist, Clarence King,
²⁴
 burst the bubble.

There were six London based companies which included substantial Scottish investment. The Wyoming Sweetwater Mining Company, Ltd. was probably the first, being registered on the 21st of September in 1870. Greatly promoted in Britain, this Coleman Street group offered 3000 shares in Glasgow as a part of its £60,000 authorised capital. It was intended to purchase coal properties along the Sweetwater River. Most of the shares were sold but the Company never really became active. No returns were filed with the Register Office and in 1904 it closed at
²⁵
 a complete loss.

In 1883 the ill-fated Monarch Copper Company, Ltd. was registered at a nominal capital of £75,000. Shares were offered in Dundee and Glasgow but only the seven original shareholders ever purchased shares and the Company, designed to strip copper from the Rambla area, liquid-
²⁶
 ated at a loss in 1891. The Wyoming Coal and Coke Company, Ltd. did not do much better even though the coal was available. Registered in London at the unusual capitalisation of £50,001 it was able to draw a Scot as one of the seven registering shareholders who purchased shares at their £2.12.6 cost. Many of the shares were left to go
²⁷
 begging and no active business was conducted.

The Carisa Gold Mines, Ltd. was registered in June of 1889 by W. D. Frost, Captain J. W. Clarke and C. Holmes with a nominal capital

of £180,000. All the £1 shares were issued and paid. £127,500 went to the purchase of a series of small mines working in Freemont County,²⁸ Wyoming. While operating briefly it failed as an investment. The Charter Oaks Copper Mines, Ltd. was registered in June of 1891. Capitalised for £40,000 in £1 shares it managed to appeal to some 33 shareholders who raised £28,357. No major dividends were paid, however, and after some years of unsuccessful operation this company liquidated in²⁹ 1908.

Two Golden Eagle Syndicates, Ltd. were developed. The first was registered on 18 December 1893 at £20,000 but only 314 of its 2000 shares were sold and it closed, holding the property in limbo until a new and more complex structure could be formed. The new Company registered in January of 1898 with £60,000 authorised capital in £1 shares, 20,057 of which were immediately taken by 45 Scottish and English shareholders. This Victoria Street Company drew funds from both Edinburgh and Dundee with James Cowan, a member of the paper manufacturing family, and a director of the Arizona Trust Mortgage Company as the Director. The various mines collected under the Syndicate failed to produce as expected³⁰ and it closed out at considerable loss in 1908.

Unfortunately the Wyoming tax lists of 1868-1900 do not list the foreign companies as separate entries and the Secretary of State Incorporation Records (1872-1900) do not give other than 'alien' as the source of investment. But based on the high percentage of companies which did have Scottish investors we can assume that 'alien' in some of these cases must have been Scots. These include the Central Pacific Mines at Almy, the Union Pacific mines at the same location, the Rock Springs Coal Mines, the Carbon County Coal Mines and the Wyoming Copper and

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Smelting Company at Fairbanks.

Most of the joint-stock mining companies operated in the same general pattern as the cattle companies; corporation life was continuous and liability limited. However, the smaller denomination of the shares and the very speculative nature of their ventures made them necessarily appealing to the small and generally uninformed investor. This in turn meant a far less sophisticated management and a very high mortality. Also, unlike the cattle companies, they very rarely had the expected capital. It was the general rule for the shares not to be all sold. The legal situation was not as free as it had been for cattle. It was better in Wyoming Territory than many places but under the alien land acts, applicable in the United States territories, no British company had felt safe to invest very much between 1887 and 1891.³²

On the passage of the Alien Land Law in 1887 the governors of many territories, particularly Montana and Wyoming, complained that this would stop the flow of British capital so vitally necessary to their development. A Senate Report in 1888 had urged some change to allow British interests to develop sulphur and iron being found in Wyoming.³³ Mining deals already settled in Britain had been cancelled and a special Congressional investigation in 1888 confirmed that considerable capital had been denied the territories by British attempts to comply to the legal limit on alien held stock.³⁴

Three other British related organisations might be mentioned here. In 1883 the Wyoming Development Company was created under the leadership of Horace Plunkett, later MP and owner of the EK Ranch in Wyoming;

Andrew Gilchrist, Scotland born rancher and banker; and William Irvine. The Company founded the town of Wheatland and took water from the Laramie River to irrigate 50,000 acres of farmland. While funds came from England, Scotland, Wyoming and Massachusetts the project would not keep up with the costs. It struggled along, generally inactive, until 1951 when it closed after a loss of about £338,220. ³⁵ Under pressure from Moreton Frewen another group, The British and Foreign Fresh Meat Company has been organised in Sheridan, Wyoming with £200,000 raised from friends in England and in Scotland. The Company built a "natural refrigeration plant" located at Sherman Hill which was the highest point on the Union Pacific as it passed through Wyoming. Here he planned to use local ice to prepare meat for direct shipment to New York and then to Liverpool. He was very concerned with what he considered to be the unfair and economically destructive tactics of the meat packing firms in Chicago and he planned to bypass these meat monopolies. This same thinking was to lead him to create fattening pens at Lake Superior -- feeding them on reject wheat from the Duluth elevators -- for shipment to England through Canada. ³⁶ Frewen's Sherman Hill company, however, could not compete. No profits and very little of the capital was saved. ³⁷

On one occasion John Clay joined forces with the infamous Rufus Hatch of Cattle Ranch and Land Company, Ltd. Hatch had suggested a hotel and transportation centre in Yellowstone Park, perhaps running some cattle on the side. Clay and 28 others subscribed £208 each on Hatch's promise that he could get Washington's permission for such a venture. A hotel of sorts was finally started and when the promised monopoly did not materialise it when into bankruptcy profiting Clay and his fellow investors nothing but the experience. ³⁸

The Scottish interest and investment in sheep was primarily done through the migration of personal resources and talents to Wyoming. It was a rather significant contribution. The first driven sheep came through Wyoming with the Mormons in 1847 but the first permanent flock is claimed by John McCady, a Scot from Colorado, who placed his flock on the Sweetwater in 1868.³⁹ William Tween shipped Cotswold sheep from Iowa to Landers in 1869 where they were herded at his Red Rock Ranch first by himself and then by his Scottish partner William Macfie.⁴⁰ Sheep first appeared on the assessment rolls in 1870. By then 6,409 were reported with a wool clip of 30,000 pounds. The Laramie Stock Graziers Association, organised in 1873, included both cattle and sheep. By 1880 the Territory had a reported 450,000 local sheep and an additional half-million driven across the Territory in that year.⁴¹

Probably the most important Scot in the business in Wyoming was Robert Taylor, born in Scotland in December of 1847. He was in a partnership with his brother-in-law W. T. Hogg, also Scotch. Taylor had first worked for a fellow countryman, Kenneth Macdonald who had a flock in Carbon County in 1879.⁴² Later Taylor moved to what was to be Natrone County. After several years he drove two herds of Merinos from Bakersfield California and, in 1880, established the Twenty-Mile Ranch; so named because it was that distance from Rawlins. His operations expanded quickly and he started crossbreeding with Shropshire sheep on his Sulpher Springs Ranch about 1881. By 1889 he was running 40,000 head on Twenty-Mile and Antelope Ranch.⁴³

Taylor moved to Casper, Wyoming in 1891 and bought out the F. L. Cattle Ranch on Poison Spider Creek where his nephew George had worked as a foreman. He also purchased the V. C. Ranch and moved part of the

Rawlins breed flock there. In the same year he started feeder lot experiments. By 1896 he was feeding 19,000. Taylor and Hogg, whose burned sheep wagon named 'Burned Wagon Basin', and nephew George Taylor began showing the fairs in America and Scotland where they be-
 44
 came famous as breeders. In 1896 they exported 4,500 head to Glasgow. 45

Taylor was responsible for the coming into Wyoming of several Scottish lambers. Lambing was a very specialised role and in Wyoming it was an occupation that drew a large number of workmen who stayed on
 46
 to be citizens of the new area. James and Donald Michie were two of them who came as lambers and remained to establish flocks of their own
 47
 on the Green River. David Young and his brother Richard were in the same position having established their flocks on a share basis from Robert Taylor. Richard was later to be instrumental in the organisation of the Wyoming Wool Growers Association which began in 1903. Taylor also aided a Mr. Lang and Mr. Galdwin in establishing their flocks. William Grieve, a fellow countryman, also came to work for Taylor and managed the F. L. Sheep Ranch near Casper for him. When Grieve's brother John joined
 48
 him, sometime late in the 1880's, Taylor helped them start their own herd. Others included John Lahoar, Jack McTurk, and Andrew and David Small as well as Jock Dowl, all Scottish immigrants who became major owners in the 1880's and 90's.

Another important set of brothers were significantly involved in establishing the Scots in the sheep trade in Wyoming; these were the Dickies, James, David and Hugh. Born on the costal islands they became separate immigrants to Wyoming. David and Hugh came in 1880 and took jobs as herders. James, born in January of 1856, sailed to New Zealand at the age of 22 but found it unsuitable and after a return trip to Scotland he arrived

Table No.10Comparison Between Cattle and Sheep in the Midlands.

<u>Year</u>	<u>Cattle</u>	<u>Value \$</u>	<u>Sheep</u>	<u>Value \$</u>
<u>Wyoming</u>				
1883	780,000	18,298,800	520,000	1,591,200
1885	1,280,916	32,022,900	518,466	1,072,188
1887	1,230,192	23,504,663	523,340	1,089,855
1889	1,217,890	18,240,947	1,017,373	2,249,921
<u>Montana</u>				
1883	590,000	14,809,000	405,000	1,231,200
1885	725,000	16,023,456	718,750	1,523,391
1887	934,500	17,948,000	1,265,000	2,658,398
1889	981,786	16,925,993	1,980,845	4,407,799
<u>Colorado</u>				
1883	696,000	18,757,200	1,212,000	2,690,640
1885	1,019,779	26,211,893	1,126,645	1,994,162
1887	1,049,353	20,918,327	1,137,686	2,257,196
1889	1,048,933	17,595,648	1,783,891	3,718,281
<u>New Mexico</u>				
1883	375,000	7,222,500	3,960,000	5,940,000
1885	1,151,857	20,733,426	4,328,755	6,934,666
1887	1,257,597	18,911,121	3,623,168	3,953,239
1889	1,383,357	15,560,693	3,092,736	3,872,106

U. S. Agricultural Reports, Bureau of Statistics, 1883-1890. GPO,
Washington, D. C.

Wyoming in 1886. He came with nothing but his sheepdog. He worked for awhile near Rawlins that summer and in 1887 took a job with Taylor on the Antelope Ranch but two years later purchased a flock "with money from home" and with a wagon as home began running sheep on the public domain. David and James established the L. V. Sheep Company with ranches near Thermopolis and on Enos Creek where they began experimental breeding. By 1892 their flock had risen to 40,000 ewes and they had become famous for their exceptionally high grade of Rambouillets. In 1899 they shipped 50,000 pounds to wool to Glasgow.⁴⁹

The fabled sheep-cattle wars which had received so much attention in western fiction were very rare in Wyoming. This was due in part to a unique view held among the Scottish owners involved: Sheep and cattle could run together. John Clay, in 1917, was vigorous in his assumption that by 1890 sheep had taken over Wyoming. By 1881 sheep exceeded cattle in Wyoming, of this Clay was correct.⁵⁰ But Clay's unhappiness over this reads like after-thoughts coloured by the trouble of 1900-1910. For Clay was as much responsible as anyone for the sheep success. The Swan Land and Cattle Company, Ltd. while it was under Clay's direction ran sheep; nearly 40,000 at one time if the tax rolls are accurate.⁵¹ As well Clay instituted loans to sheep farmers from his Edinburgh connections and from Clay, Robinson and Company which was greatly dominated by its founder.⁵²

There was some unrest in the late 1880's over religious as well as stock reasons when Mormons were pushing their herds into Wyoming. Also a great deal of grumbling in the Cheyenne Leader and Laramie Boomerange about transcit flocks which grazed in Wyoming but avoided paying the tax. In the late years of the decade there was some violence near Tie Siding in which 2,600 sheep were reported destroyed.⁵³ Real crowding, and thus

real trouble, did not occur until the 1890's. E. P. Snow, Wyoming Sheep Commissioner, estimated 25,000 sheep destroyed during the decade ending in 1903.⁵⁴ In 1898 there were 706,000 cattle and 1,940, 021 sheep in Wyoming; in 1899 713,000 cattle and 2,328,025 sheep estimated. The sheep were beginning to push for range lands and there was some trouble⁵⁵ after the turn of the Century.

Just why Scottish investors did not engage in the purchase and large scale operation of sheep ranches is not really known. It seems that one reason can be found in the image of the cattle industry. Wyoming had sold herself as primarily cattle country and cattle companies had become so much the symbol of profit and power that sheep were not considered. Part of this answer lies also in the personal nature of the sheep business. Unlike cattle companies, which tend to be organisational, the sheep required the constant attention and direction. It was more in line with the smaller operation of a single herder, or a family, and because of this large scale investment was not the same necessity.

Shepherding was something one came and did rather than something one sent his money to be invested in; and a good many Scots did just exactly that. Investments were made, of that there can be little doubt, but these were smaller short term investments to individuals, or brought by individuals after settling their affairs in Scotland. The contribution was considerable and the success, never so large or so dramatic, was longer lasting and perhaps more profitable in the end. The major difference was that the success -- the question did they pay? -- could only be answered in terms of their individual contribution for it is true that very little of the income returned to Scotland.

Chapter Twelve: Notes

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38. Clay, John My Life on the Range. Norman: University of Oklahoma Reprints, 1962, 40. Congressional Record (Senate) 27 May 1884, 4551. Congress debated the validity of Hatch's proposal and finally admitted that bankruptcy was all that had saved the park from alien control.
39. "The Sheep Industry in Wyoming", Manuscript, WWHC. Aldridge, Reginald Ranch Notes. London: Longman's and Green and Company, 1884, 12.
40. Frink, Maurice Cow Country Cavalcade. Denver: Old West Publishing Company, 1954, 119. Frink gives credit to W. A. Carter of Fort Bridger who, in 1869, was supposed to have had a permanent herd.
41. "Report on Cattle, Sheep and Swine", 10th U. S. Census, III, 955-1103. Cheyenne Daily Leader 21 September 1875.
42. Wilkerson Papers, WAH.
43. Wentworth, Edward N. American Sheep Trails. Ames, Iowa: Iowa State College Press, 1948, 350-360.
44. Wilkerson Papers, WAH.
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46. Ibid., 410.
47. Wilkerson Papers, WAH.
48. Wentworth, 327.
49. Manuscript, David Dickie, WWHC. Duncan Collection, WWHC. Thermopolis Journal (Wyoming) 24 January 1936, 4.
50. Dick, Everett The Lure of the Land. Lincoln: University of Nebraska Press, 1970, 258-259.
51. Wentworth, 325. Clay, Chapter 28. Cheyenne Tribune 13 April 1904 said 100,000 but this is doubtful. A good many other ranches in Wyoming also ran sheep, for example, F. E. Warren, William Richards, J. M. Nelson and J. B. Okie.
52. Fellow Scotsman, Alexander Graham Bell, offered premiums for the breeding of a multi-tited ewe on the assumption that lamb yield was limited only by the facilities for feeding.
53. Dick, 261.
54. Ibid., 262. Rollins, George, "The Struggle of the Cattleman, Sheepman and Settler for Control of Lands in Wyoming, 1867-1910", University of Utah, Ph. D., 1951.
55. "Wyoming Agricultural Statistics", 1925, U. S. Department of Agriculture.

Chapter Thirteen: Immigration and Investment

"Only a comprehensive and well-organized plan of emigration" said the John Bull in 1848, "could help eliminate the evils found in America".¹ No such plan was designed but immigration on a large scale had begun early. On the eve of the American Revolution such large numbers were leaving the Highlands for America that it caused Samuel Johnson to speak of it as an "epidemik desire of wandering which spreads its contagion from valley to valley".² By 1790 it was estimated that 60% of the population of the United States was British, 14% of these were Scottish. In the decade following 1850 the number of Scottish immigrants jumped from 3,712 to 38,311; doubled during the decade 1870-1880; and during the 1880's rose to 149,869 persons. The lack of government restrictions on the movement of peoples had meant that from 1820 to the end of the Century three and a quarter million Scottish settlers had emigrated to America.³ John Finley called this the "predestinating of America."⁴

The story of these emigrants is generally the story of people of limited means who took themselves great distances to rebuild lives in an alien land. In some real respects the British story is one of even more daring for unlike so many of the Scandinavians and Germans the British, and the Scots in particular, seldom huddled together in groups of their own kind.⁵ Instead they tended to follow the conditions which suited them individually.⁶

The common nature of their heritage was more than rhetoric. The economic position of the Englishman and the Scot was such as to assist their social adjustment. In addition their cultural background allowed

them, through language for example, to move about America where they pleased and thus they were not limited to dealing only with their own kind in either economic or social-political ways. They also shared a common religious background -- most of them Protestants -- and they could join the well established congregations; Episcopal, Methodists, Presbyterians, Baptists with services with which they were at least partially familiar.⁷

Those British who settled among the Americans generally passed unnoticed and were hardly considered immigrants in the usual condescending use of the word.⁸ In the western portions of the United States, however, the term foreigner was often used as a derogatory identification for the British rancher. No American discrimination forced the British to live by themselves, however, and those who did join together in city wards and agricultural settlements tended to be of Irish and Welch background rather than English or Scottish.⁹ Settlements like Albion, Illinois Arena, Wisconsin and Welton, Iowa tended to be both ethnic and political-social communities.¹⁰

There were exceptions to this. For example the Scots in 1871 established a colony in western Minnesota for the purpose of raising purebred cattle.¹¹ The mark of Scotland moving across the land was witnessed as well by such places as Braidwood, Illinois; What Cheer, Iowa; Aberdeen, South Dakota; Dundee, Minnesota; Torrington and Glenrock, Wyoming and a hundred others scattered across Kansas, Oklahoma, Wyoming and Utah and on to the coast. Editors urged the oncoming emigrants to move west, to good land, free grass, planned townsites, on to Oregon which had room enough for "all the kings of Europe and their subjects".¹³ And into the West they came,¹⁴ with the Midlands claiming a good many.

Many agreed with the American Settlers Guide that "the points to be aimed at are -- first and foremost, health and bodily comfort, second mental growth, third financial success in the near future" though they failed to take the advice to "run no risk going upon the low lands when accustomed to the hills; to a humid atmosphere from a dry bracing one, or the reverse."¹⁵ In many cases these young Scots sought to continue their lives as before. This was more true east of the Mississippi however, among coal miners for example 88% of the Scots had been miners before. But as they moved westward, undoubtedly by necessity, many adjusted to the new conditions of employment as well as to those environmental conditions. These immigrants were not "fugitives from distress" but those who were rationally and soberly exchanging the limited opportunities of the old country for the greater ones of the new.¹⁶

The number of British farmers emigrating to the United States diminished considerably between 1854 and 1876; labourers remained about the same; miners doubled; and 'gentlemen' rose by five. Among women domestic help was the major occupation listed though dressmaking was also a large listing. In 1854, 22.9% of the men listed no occupation and more than 61% of the women listed no occupation. But in 1876 this was true of only 9.6% of the men and 14.2% of the women.¹⁷

After the Civil War, Scots settled as westerners following the railroad to new homesteads, mines, cattle and sheep ranches. In Wyoming the Scot came on the first train and increased in number as the years developed. The 1870 census in Wyoming lists a "white" population of 9,073.¹⁸ Of these 237 listed Scotland as their place of birth. They represented a vast number of occupations and personal values, tending to follow the

occupations typical of the country of their migration. There were 67 miners, 2 listed as 'gold seekers'; 20 worked for the Union Pacific including the McKenzie brothers, John and William, who engineered the Rock City Pass; ¹⁹ only 5 as labourers, the rest as engineers, locomotive machinists, brakemen and bridge watchmen; 12 as farmers and farm workers; 21 in the various services; one (and the only one) a watchmaker; one jeweler; 3 bakers; 3 ranch hands; 12 craftsmen; 2 telegraph operators; 6 teamsters; and 10 clerks. Also were listed an assorted group of occupations of vague understanding such as "stay at home" and "gentleman".
²⁰ Thirty-one homemakers (housewife, wife) were also listed.

By 1880 433 citizens of Wyoming listed Scotland as their place of birth. They reported 79 different occupations. Only 50 are listed as miners; 48 were with the railroad, only 2 of these as labourers, the rest as mechanics, engineers, and office workers; 17 were in the military; 29 as stock hands (some of these sheep); 56 as labourers, house servants, domestics; 9 in the retail trade; 15 craftsmen; 24 one type of farmer or the other (19 as owners); six manufacturers; 11 attended bar; and an assortment of interesting isolated professions; actor, policeman, vagrant, emigrant, 'mother-in-law', 'gentlemen', stenographer, and a 30 year old prostitute from Dundee with the most unlikely name of Puss Newport. There were 48 who listed housekeeper or its equivalent as their occupation. It is interesting to note that only one of the 433, a coal miner named Josiah ²¹ Crossbite, is listed as being unable to either read or write.

Considerable funds were carried into Wyoming by these people even though the amount cannot be known. While many came as poor immigrants with little but ambition, a good many came as the result of well planned

investment of their resources at home; these persons brought funds to start again. The estimate of personal wealth of the Scots has been very roughly drawn up as £65,000 in 1870 and in 1880 about £85,000. In 1882 The Economist estimated a cash loss of £100,000 taken in the pockets of the emigrant.²² By 1890 the number of Scottish born persons in Wyoming, most living along the southern border, was 1,380. This compares with 900 in Texas and 100 in Oklahoma.²³

While an exhaustive list of Scots in Wyoming during these Territorial days would be unprofitable I think an idea of their contribution can be seen in a survey of some of the more prominent first generation Scots in the area. One of the most colourful was Robert Stewart, known as 'Dirty Bob' who lived and scouted in Wyoming Territory for 30 years and whose name is found almost everywhere; on army records, wagon train rosters, as well as in the visitor books of such places as Frewen's Castle and the Cheyenne Club.²⁴

Andrew Gilchrist was born in Ayrshire, Scotland in April of 1824, and he lived there until he was 41. He emigrated first to New York and then to Colorado and finally to Wyoming where he appears on the 1880 census as a farmer. He quickly became interested in cattle and soon owned a rather successful ranch at Lone Pine and Crow Creek. He added 17,000 acres at Pole Creek and by 1883 his VO brand had become a major herd. He rose to become President of the Stock Growers National Bank where he served for six years during the period of the worst cattle setbacks. During the panic of 1893 he held the Stock Growers Bank together with his own funds. He was also involved in the Wyoming Development Company of Wheatland; was a prime mover and heavy stockholder in the

Table No. 11

Immigration Figures for Period of Study.

<u>Year</u>	<u>Scotland Population</u>	<u>Total U. S. Population*</u>	<u>Scots in U. S.*</u>	<u>English in U. S.</u>	<u>Scots in Wyoming</u>
1861	3,062,000	31,433,321	108,518	431,692	-----
1871	3,360,000	38,558,371	140,835	555,046	237
1881	3,736,000	50,155,783	170,136	664,160	433
1891	4,026,000	62,947,714	242,231	909,092	1,380
1901	4,472,000	75,954,575	233,524	840,513	2,240

* Based on even decades.

Berthoff, Rowland T. British Immigrants in Industrial America. Cambridge: Harvard University Press 1953, 5-11.

Frontier Land and Cattle Company, the Ione Land and Cattle Company, and the Four Jay Cattle Company. In these corporations he became a link with Scottish funds available for American investment.²⁵

John McGill, Scottish born, came to the Territory in 1868 by way of Canada. After working as a cowhand for several years he established the Kite Ranch in 1875 located in Albany County, Wyoming. He purchased about 100- acres through a variety of land acts and in 1879 bought a section of the Union Pacific Railway land to bring his total to 3,000 acres. He was one of the first men to fence his land and his use of the wire was one of the factors which was to lead the Scottish companies to the use of it. He purchased cattle steadily through the years from 1880 to 1887. His careful management kept his herd through the bad winter and in 1890 he added sheep to his herd, mixing them on his Metz and Vail ranches on Duck Creek. After the turn of the Century he sold to Tim Ross and finally became a shareholder in the Hawkeye Land and Investment Company which bought the land from Ross. McGill was a Republican member of the 1st State Senate and in 1890 was appointed Director of the Albany County National Bank.²⁶ He was a member of the State Constitutional Convention an an Albany County Tax Commissioner.²⁷

William Henry Ralston (Harry) who emigrated first to New Zealand and then to Wyoming, arrived sometime in 1884. He invested a considerable sum in cattle and developed the famous Duck Bar Ranch with headquarters at Uva.²⁸

Another important family of Scots were the Mitchell Brothers; George who was the most active. Born at "Mill of Fortree" Parish of Ellen, Aberdeenshire in 1859 he came to Wyoming twenty years later. Previously

he had worked as a surveyor of railway routes through South Dakota and left his mark on the map in such towns as Alexander, Mitchell, and Aberdeen, South Dakota. In 1879 he came to Wyoming to "scout out the country" and met 'Heck' Reel of the HR Brand. They soon became friends with Zack Thompson, foreman of the Swan and Anthony Cattle Company. As a result George organised the Milwaukee and Wyoming Investment Company drawing on friends in Wisconsin and they brought out the Reel and Rosendale (HR brand), the Elk Horn Rancho and the B. P. Ranch. In his new position George organised the Laramie County Cattle and Horse Growers Association,
29
a politically important unit in Laramie politics.

George then moved to Casper while it was still a tent city and built the first permanent dwelling. There, apparently aware of the great need, he organised, along with A. D. Chamberlain, The Wyoming Lumber Company with offices in Casper, Lusk and Douglas. In 1886 he became the representative of the 9th Territorial Legislature, the following year he was Casper's first mayor. From 1892 to 1894 he was in Scotland settling his father's estate. While there he married Jeanne Moir of Aberdeenshire. He returned to the H. R. Ranch in order to liquidate it at the Company's
30
request, and he purchased a good portion of it himself.

In 1896 George Mitchell incorporated with his brothers, the Mitchell Cattle Company. The Company was generally successful and they expanded to operate a successful feed lot. Ferguson Mitchell, a younger brother, went into banking and became the President of the Stock Growers National Bank in Cheyenne; Shives worked for the Company for about eight years and
31
then sold out his interests and moved to California.

John and David McFarland also settled in Wyoming prior to 1880 and were soon in cattle. John, in partnership with Dan McUlvane, his brother-in-law, established the M Bar Ranch near Cheyenne. They started with 500 head of yearlings and two year olds brought in from Oregon through South Pass.³² David established the McFarland Ranch just west of present day Wheatland.³³ Dan McUlvane joined with Henry Altman in 1890 to purchase the Wyoming Hereford Ranch from the receivers after the Swan Company lost it.³⁴ The town of Altvan is a combination of their names and is located near the spot of their Crow Creek Ranch.³⁵

Donald McPhee emigrated from Paisley in 1870 and a year later was joined by his brother, Hugh, in establishing a productive range on Horse Creek.³⁶ They were joined in 1874 by Donald Clark of Islay who married McPhee's sister. Clark established the D. C. Ranch at Horse Creek and eventually ran on 8,000 acres.³⁷

Other Scots in the cattle business included Andrew and Archibald Blair who established a trading post near Rock Springs and ran cattle at what was later called Blairtown; Thomas Graves of Carbon County; William Hislip of Carbon; and Duncan Grant who had served on the Swan ranches for several years before branching out on his own.³⁸ Colin Hunter migrated from Perthshire and owned the YT Ranch on Skull Creek from about 1878 and had beef contracts with Fort Fetterman.³⁹ Colin McDougal, John Burns, Daniel Russell and Daniel Smith all ran cattle in the Laramie Plains area in the 1870's and 1880's.⁴⁰ J. Alston was a Scottish rancher who, in partnership with an Englishman named Peters ran a cattle ranch 20 miles west of Frewen's Powder River spread.⁴¹ Peter McCulloch who named McCulloch Peak near Cody, Wyoming migrated direct from Scotland to form the Carter Ranch near Stinking Water (Sulphur Springs) in 1889.⁴²

John Ried worked a ranch near Laramie; Robert Tait ran cattle in the Wheatland area; A. D. Adamson who arrived in 1881 soon had ranches at Horse Creek, Hare Creek, Pole Creek, and Bear Creek; R. B. Anderson imported and raised Herefords on his 3,000 acres; and John Dearlove established the famous JD Ranch in Laramie in 1883. Others include Edwin Hurd the British owner of the halfbreed range, George Harper who ran 20,000 near Rawlins, Oliver H. Wallop who maintained herds near Sheridan in the 1880's; Robert Marsh of Marsh and Cooper Ranch on Rock Creek with its 18,000 head; and John Inows with 600 acres near Halton.

David Miller, born in Stirling in 1847, followed the rails and was one of the first passengers on the Union Pacific into Cheyenne in November of 1867. He found Cheyenne "wasn't very peaceful" but he stayed as its only watchmaker. He was a resident of Wyoming, in a series of successful retail businesses, until his death. Another merchant of importance was Foute of the Foute and Wilson combination. An early Scot he opened with his partner a sulters store at Fort Halleck. He remained in the Territory to become one of the first merchants. In 1880 he listed his net worth at £2,083.

H. Harcombe of Scotland was a long-time Laramie merchant as was William Lawrence who arrived in the 1870's. John Block came to Wyoming in 1883 and served for awhile as a clerk in Messrs Blythe and Fargo in Evanston; John Baird was an Evanston tailor and community developer; W. A. Mackenzie, also a first generation Scot, became an important Laramie contractor. Scot William Bedge settled on Swift Creek in 1885 and was

reminded of Burn's "Flow Gently Sweet Afton" that he named his developing community, Afton.⁵⁵ N. Robertson of Aberdeen settled in Cheyenne in the early 1870's and opened the Cheyenne Carriage Company.⁵⁶ William Naismith became Laramie's first blacksmith in 1871 and his brother, David, also from Glasgow, became the first tent maker.⁵⁷ Two years later James Sterling of Fife was named Laramie's deputy sheriff.⁵⁸

A few Scottish immigrants were active in mining promotion in the Territory. Sam Macmasters was the most active. He was for a great many years the superintendent of the Homestake Mine and a promoter of mining in Wyoming. The names are lost but some idea of the involvement is seen in the fact that 61 heads of families, all Scot, were lost in the Red Canyon Coal Mine (near Evanston) explosion in March of 1895.⁵⁹

A number of Scots came to Wyoming in connection with sheep. The importance of these men is discussed earlier. They included Robert Taylor, James and Donald Michie, Richard and David Young, William Grieve, John Lahoar, Jack McTurk, James, David and Hugh Dickie.

Several came to Wyoming as 'ranch learners' also called by many 'remittance men' and 'thousand pounders'. When the great cattle boom hit Britain it was felt that the West was a fairly good place to give the younger sons their manhood. The idea was to have the young men work on a ranch learning the cattle trade -- and maturity -- as we would in a technical college of today. For this privilege the young man's family would pay somewhere between £150 and £200 a year.

These young Englishmen and Scotsmen seemed to take to the cattle industry in a way that they did not respond to agricultural work. Writing in 1885 an American indicated that it was common "for young English

university graduates of high social position to lead for a year or two the rough life of a hired cowboy on a ranch, to learn the cattle business and be competent to manage a large herd to be purchased with the capital of friends at home."⁶⁰

Wyoming was known as one of the better places where this could be done and it multiplied upon itself. For as those learners moved on to other spreads or in some cases to ranches of their own, they made room for more of their kind to join them. It appeared a very popular way to spend the growing up years, but life on the Wyoming ranch was not all that it was presented as being. "A Glimpse of the West" published an eye-opening account which suggested that persons contemplating such action were living in a dream. Persons so working "correspond merely to the English agricultural labourer living in his wayside cottage, and being paid so much a week". Blizzards blow all winter, it is cold and bleak, the work is hard and dull and besides that "a dollar in the states goes no further than a shilling in England".⁶¹ This didn't seem to put an end to the practice, however.

One of the best known was Clement 'Ben' Bengough whose wealthy family sent him in 1886 to the Gresley-Robbins Ranch some twenty miles west of Laramie. Ben remained the rest of his life, becoming a cattleman and, because of his excellent education in Latin and the immense amount of mail, became the source of anecdotes for years to come. Other better known learners were W. B. Wallace, Jake Smith and Chippy Lampson.⁶² The latter was an energetic Britton who came to the Bar T Ranch, worked there for about three years and then acquired a herd of his own which he ranged with the Bar T.⁶³

No records have been left of the men or the locations where they worked but any survey of the material of the West, particularly of Wyoming, brings a good number of names and occasions to light. The Scottish owned cattle and sheep ranches were very willing to offer work and training to their countrymen. English ranch owners as well offered such opportunities and were more likely to keep records of the fact. The Gresley-Robbins Ranch, Pete Hammersley's near Morgon, the Willan-Sartoris Ranch, Richard Ainsworth's Royal Crown Ranch and the Bay State Ranch to name just a few of the ranchers providing a place for learners.⁶⁴

The Scotsmen was lured to the American West for a variety of reasons not unlike those that brought most immigrants to the United States. The almost visionary charm of the New World; the improved means of travel; the aid of friendly societies; imigrant societies and the commercially inclined agencies that covered Great Britain in search of immigrants; and letters returning from the more successful members of the family or the community. All of these were important. But there seems little doubt that a major reason was economic. America offered opportunity, better wages, more open job market and the "tide of migration between Great Britain and the United States flowed and ebbed with the cycle of prosperity and depression".⁶⁵

Their reasons for moving West are less determined but can also be discussed in general terms. There is little doubt that the desire to be "lord of his own acres" was sufficient to allow the immigrant to follow the promise of free land. The universal ambition for land in a country of limited land drew them for rightly or wrongly the West was advertised as a place where land was plentiful.

According to Rowland Berthoff's excellent study of the British immigrant in the United States the economic factor was somewhat regulated by the fact that Britains sailed to the New World with specific jobs in mind. A state of affairs which reflected a more complex economic force than that expressed in other immigrating societies. Within this structure the Scot was not inclined to cross the Atlantic unless he expected to find conditions which he knew he could match. In the case of the Scots in the Midlands, and in Wyoming in particular, there was every evidence that these basically pastoral people sought, in their new location, the pastoral environment and economy they knew. The Midlands were first of all in the lure of land. As well the livestock and pastoral economy drew many. But developing as it was it was also an area of individual crafts, of mining, of special skills on the railroads and in the mills.

Pressures drove them from Scotland; the promises lured them to Wyoming. Their reward was individually adequate; their collective contribution significant. They brought with them skills and dreams as well as cash. Some grew to positions of considerable power and influence and were most certainly partly responsible for Scottish advantages. It was an investment on their part, not of capital resources or financial knowledge, as much as it was of time and energy and risk. Their reward, though not reaping profits for their mother country, was like so much of the Scottish investment, a contribution to the financial development and political stability of the Midlands. In Wyoming this was most particularly true.

Chapter Thirteen: Notes

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2. Johnson, Samuel Journey to the Western Island of Scotland. Oxford: University Press, 1924, 87.
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4. See John Finley's excellent account of early Scottish influence, The Coming of the Scot. London: Scribner and Sons, 1940, 5.
5. Berthoff, Rowland British Immigrants in Industrial America 1790-1950. Cambridge: Harvard University Press, 1953, 110.
6. Evans, Margaret "Scottish Immigration Into Upper Canada" manuscript in possession of the author. Professor Evans, President of the Scottish Conference, agrees that this was true in America but for some reason had not been true in Canada prior to 1850., 2.
7. Berthoff, 132-134.
8. Ibid.
9. Ibid., 134.
10. Ibid., 110-111. Grant, Foreman, "English Emigrants in Iowa", Iowa Journal of History and Politics, XLIV (1946) 385-420.
11. Berthoff, 112.
12. The cry of a Scot miner who discovered coal there. Iowa Place Names.
13. Hansen, 63.
14. Rischin, Moses, "Beyond the Great Divide: Immigration and the Last Frontier", Journal of American History, 15 (June, 1968) 42, a very interesting article which expresses the feeling that the American West has "not ever really dealt with the problem of the accommodation and interaction of its diverse people."
15. Eopp, Henry The American Settler's Guide. Washington D. C., 1883, 96.
16. Reynolds, Lloyd The British Immigrant: His Social and Economic Adjustment in Canada. Toronto: Amen House, 1935, 9-10.

17. External Migration 1815-1950, General Register Office, London, 1953, 57.
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29. Papers of the Mitchell Estate (395,B-M69) WWHC.
30. Ibid.
31. Ibid.
32. Frink, Maurice Cow Country Cavalcade. Denver: Old West Publishing Company, 1954, 14-15.
33. Wheatland Times (Wyoming) 27 March 1924.
34. Brands October 1921 to February 1931, WAH. Wyoming Herford Rancho 3, WAH. Coutant Notes, WAH.
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39. Ibid., 67.
40. Andrews, 65.
41. Ibid.
42. Wilkerson Papers, WAH.
43. Ibid.
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45. Coutant Notes, WAH. Wilkerson Papers, WAH.
46. Ibid.
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48. Ibid.
49. Ibid.
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62. Burns, Robert, "Beef Makers of the Laramie Plains", Annals of Wyoming (October, 1964), 190-191. Smith, Helena Huntington The War on Powder River. New York: McGraw-Hill, 1966, 187.
63. Schatz, August H. Longhorns Bring Culture. Boston: The Christopher Publishing House, 1961, 35.
64. For discussion of individuals see Burns, Frewen, Melton Mowbray; Athearn, Westward the Briton; Rallins, The Cowboy; Tinkler, Estelle "History of the Rocking Chair Rancho", Pan-Handle Plains Historical Review, 15 (1942) 29.
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66. Ibid., 27-29.

Chapter Fourteen: Did it Pay? -- A Summary

Men tend to see the world through glasses prescribed to fit their particular vision and the 'valuable' is so often nationally defined. Investment is such a human commitment and is so imbedded in human institutions that it would be folly to try and establish any absolutes in investments. There is little doubt, however, that lack of capital is one of the most readily quantifiable deficiencies in national development. And the idea behind foreign investments is to expend a part of the property of one country in the growth of another for the sake of making an income. The size and security of this income must be seen as a major factor in continued investment. This should not be supposed, however, to ignore the undefinable but nevertheless powerful motivations of "involvement in the world market".

"The United States" wrote R. H. Inglis Palgrave "offers a better field of investment than the United Kingdom, not because America has less money -- for this is not the case -- but because in a new country with a steady form of government, with a good soil, a good climate, and an enterprising race there are so many more openings than in a long-settled country like the United Kingdom . . . and the advantage is the greater as the investor moves westward"¹. This view was not completely shared, and in the main, public opinion in Great Britain had always tended to favor home investments. There was always a vague but uneasy² feeling about investing in the unreliable securities of foreign powers.

The public was most certainly subject to questions and affirmations concerning the advantages of foreign investments. The Pall Mall Budget

for one ran a whole series of articles in the late 1860's and early 1870's indicating that investors should stay clear of America "where the science of swindling is best understood, and practiced on the most gigantic scale . . ."³ and where the most unfortunate "share of suspicion which attaches to all classes of public securities in the United States"⁴. The Scottish Banking and Insurance Magazine often carried warnings of the danger as did the Edinburgh Courant.⁵ But public opinion has little money to invest and thus tends to be less affected by the profit motive. After all the essential nature of these investments, all aesthetic reasons admitted, was to bring home a profit and it was on this issue that most of the battle raged. Foreign investments that could show, or anticipated a profit, tended to interest the serious investor.

"It looks almost like a mockery to ask if the extra 1 per cent, or even 2 per cent interest which may be earned abroad, is worth the spasms of agony with which the distant harvest has to be gleaned", wrote Blackwoods Magazine in 1884. "In almost every branch of foreign speculation, from railway shares to petroleum, the rule has been heavy losses, the exception fair profit"⁶. The effect, however, must be measured on a larger scale. For while a greater return on capital invested abroad is expected over that in domestic involvement, it is also expected that foreign investment will keep interest rates higher at home. According to Hobson the continued rise in the yield on British investments abroad will support the fact that an increasing rate of interest must be paid to attract capital into domestic investments and to keep it there. The rise in interest in turn, can be one factor in the increased accumulation of yet additional capital for investment.⁷ Further it can be expected to have the long run effect of increased production and stimulation of the demand for capital at home.⁸

Cairncross finds he can build a case for indicating that British investment, both in European countries, and in the underdeveloped areas of America and the empire, had been "economically advantageous to the investors themselves and to the nation as a whole".⁹ This is despite defaults, especially in South America, and panic during the American Civil War. In the area of our immediate concern the years following 1880 were the most remunerative for the second half of the 19th Century. In terms of hidden income, the amount is indeterminable but it was substantial. Gains to export industries with their accompanying employment increases, the cheapening of imports, and the increased standard of living¹⁰ were all a part of the opening up of new areas of supply, and of Britain's willingness to finance railways and utilities, as well as providing investment for single venture activities abroad.¹¹

In the long run the involvement in foreign investments meant a decrease in home investments and the reverse. And in this fact lay a good part of the question about the profit of such investments. It was a general preference of home over foreign investments which could explain the governments failure to bring pressure against those nations which were defaulting on debts. It was, Palmerson had said, their deserved misfortune.¹²

It is fairly well established that earnings from foreign investments were on a par at least with those home investments involving greater than usual risk.¹³ Government bonds generally brought less than home investments could bring. The return on railway stocks was basically better than home preference stock was paying. To the questions of how home investment would have paid if there had not been foreign

investments, there are both several answers and no answer. There was a rise in interest rates during booms of foreign investment, thus suggesting rates would be lower if the money had stayed at home. But the explanation could also be one of several other causes.¹⁴ On the other hand there were rewards connected with foreign investments other than the immediate capital dividends; employment, rising prices, demands for goods, opening of new markets, and the related advantages to name but a few.¹⁵

Between 1870 and 1900 there was a gradual change in the nature of securities which interested British investors. In the 1870's foreign government bonds and those other loans guaranteed by European governments were more important. The change was more and more to railways, mines, single venture areas, while European and American government bonds and securities diminished. In the 1870's Scottish capitalists saw the great need for capital in the United States, especially in the West. In anticipation of the potential of vast land with few immediate resources, the Scots had gone against the trend and had organised especially to increase the flow of funds to western America. The investment capital rose, with minor exceptions, fairly steadily reaching a plateau in 1886. It then rose steadily until 1890.

In 1891 a rapid decline in investments began and by 1894 less than one-fourth of that of 1890 was invested. Financial upheaval in Europe and panic in America limited investments. Industrial development and available domestic capital slowed in return. There was a slight recovery in 1896 but the Statist warned that the United States financial trade had problems which would keep the market depressed, and they were right.¹⁶

Between domestic problems and the British-American diplomatic crisis¹⁷ over the Venezuelan affair, investments stalled and remained so through¹⁸ the end of the Century. All in all British capitalists earned about 34,000m in interest and dividends on foreign investments in the forty years from 1870 to 1910. This is an average income of one hundred¹⁹ million pounds a year.

While there were periods in which this was challenged there appeared to be no trend indicating that investments were channeled into the empire at the expense of independent countries even though British investors²⁰ expressed a preference for empire shares. There were limitations on the nature of these investments to independent countries -- for example there were very few investments in the United States in those industries that would in time become competitive with the British industry -- but markets appear to have been the prime determinate of location. John Hobbson, as well as some of the Marxist authors, indicate that the empire's expansion was directly related to needing places for the location of investment. This does not appear to be so at least during the period²¹ of heavy cattle and mining involvement in the American Midlands. The decision to invest funds in America did not seem to be restricted either officially by the government or unofficially by implied nationalism.

To speculate on the degree of investment which would have entered the empire if American opportunities had not been available is probably unprofitable though it seems unlikely to have made a major difference. The early 1870's saw the flow of capital away from Britain larger than the return from those holdings, which can be explained in part by the diminishing income from the United States during the depression. But, as C. R. Fay

points out that even during the crisis the British investor could not, or more probably did not chose to, bring his resources home or to re-invest²² in the empire. During the 1870's while depression hit the American economy the Scots invested money that was needed for reorganisation, and for the expanding and westward movement of the farmer's frontier. There can be little doubt that during this time much of the appeal was that the Scottish investor could pick up prime property and property loans cheaply.

The decrease of investments during 1877-1878 effected both the home and foreign investment sources and resulted from many causes; the building boom ended, falling dividends, international political unrest, and doubt about the banking system. These were not necessarily related to the needs²³ of the empire. There had been ample warning against investment in America and yet this was a period in which the cattle ventures were formulated and tested in Texas and in the Midlands. Investments continued particularly in rails, mines, and cattle which was the most speculative of all. Early profits and dividends seemed to indicate the risk was worth it. Blackwoods in 1884 warned its readers that "a smart American has imagination, ingenuity, and a sense of humor. In what other country need one look for rogery so cleverly disguised as in the following advertisement, cut from a New York²⁴ paper . . . for sale, "defaulted railway bonds suitable for assets, cheap."

In the same year the Edinburgh Courant also warned of financial losses abroad and made a plea for the domestic use of some of the available capital. Dundee, it warned, was a nest of gamblers which had drained Scotland of funds "close on five million sterling taken out of the trading capital of the town and exported to Heaven knows where", forty pounds per head invested . . . "its life blood being drained away from it to feed

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 yankee speculators".

The year 1884 appeared to prove the forecast and it was indeed a "tragic year for investors". Railway stocks were way down, mining shares depreciated and cattle was beginning to show signs of weakening. 26
 Partly in defence the English Association of American Bond and Shareholders was formed but this association like the Association of Foreign Bondholders before it, had very little influence. The net loss of the investing companies of Scotland was estimated at four million, two hundred and five thousand pounds. Add to this the private losses, and there seems to be many of those and you can see The Statist estimation of £8,000,000 taken from the Scottish pocket. "What the canny Scot of forty years ago would have said of flinging about the 'sax pences' at such a rate one 27
 fears to contemplate". But despite the loss Tait, Denman and Company 28
 were still recommending American investments. Within the next two years eight new cattle companies would be organised at over £1,850,000. The Economist continued to report a demand for shares as they believed there 29
 was still money to be made in the well managed American cattle investment. As late as 1888 the same journal suggested this was the time to buy American 30
 ranches while no one wanted them. Profit was still possible.

Scottish money invested in the Midlands by single venture companies resulted in a loss. Investment by the same type of companies in Wyoming had by 1899 also suffered considerable loss. During the period 1875 to 1899 Scottish investment in Wyoming ran between £3,500,000 and £5,000,000 depending on the degree to which they were involved in London owned companies. Investment in these companies may be conservatively estimated at 500,000 pounds plus an additional 750,000 pounds in private company in- 31
 vestment in Wyoming. The amount of return on these investments is muddled

by the constant selling of debentures, but it is clear enough to indicate a considerable loss. Certainly, regardless of the degree of their ownership of small London companies the loss on companies as the Dakota Stock Grazing Company, Ltd., the Sand Creek Land and Cattle Company, Ltd., and the Powder River Cattle Company, Ltd. was nearly complete and can be estimated at around 600,000 pounds. The Swan Company and the Wyoming Cattle Company also accounted for losses, by 1895, of nearly 400,000 pounds.

The Western Ranches, Ltd., however, rallied after the most difficult years and by the end of the Century paid a 100% return on the face value of its shares. This was in part accomplished by the Scottish farsightedness which not only provided the capital growth for Western Ranches, but cut losses in their other ventures considerably. It was accomplished by turning once again to land and finding their return not in the cattle running on it, or in the minerals in it, but in the ³² land itself. It shifted to land mortgages, development and sales.

Few companies after 1884 could claim to have made a profit. But the Scottish companies that were able to hang on past the close of the Century were able to regain some of their losses. Land areas held for range control had risen in value, a brief if somewhat erratic rise in beef prices, the effect of World War I, all contributed to closing the gap. The Scottish cattle companies after 1906 repaid about two million pounds above capital which, with previous dividends made the cattle ³³ losses about four million pounds. In Wyoming the post 1900 gains probably reduced this loss by five hundred thousand pounds, a far better protection of original capital than most were able to claim in the Midlands.

In Wyoming, as in other areas, the superiority of the Scottish investment over those of purely English companies can be quickly illustrated. Something of the extent of the Scottish involvement can be seen when we realise that the estimated four million pounds investment in Wyoming Territory came from an area of less than three million population which in 1885 had an aggregate income of about fifty-six million pounds. The total involvement of Dundee in say, 1882, was something like £2,166,000, with a population of less than 140,000. Edinburgh with a population of nearly 321,000 had £2,150,000 in registered company investment alone.

The cattle industry was not spared from the fluctuation of market and the period between calf and beef made it difficult to adjust to the changing conditions of the market, the environment, and the investment and management mood of the times. All in all it seems that Midland investment in cattle had not been profitable in terms of return on the investment. The Midlands was only part of the picture, however, and taking into consideration Edinburgh and Dundee owned cattle operations in Texas -- primarily the Matador, the Prairie and the Hansford -- brought funds into the picture that turn a financial loss into a limited success. This of course was not true of the English companies whose losses and "depreciations" remained high.

The reasons for this limited success among the Scots lies buried among a hundred key factors, but some brief mention might best be registered here. Among the most important was the careful placing of their money and the degree of "on the spot" participation actually made by the investors and their financial leaders. Also the vast background in pastoral investments, the syndicated successes in the areas of the Midlands

and Texas mortgage and investment companies, all contributed to the fact. Basic however was the able business ability of those men who led the Scottish investment picture on both sides of the water; men like Murdo Mackenzie and John Clay.

The contribution to the cattle industry as well as to the development of the United States has been suggested by many before. Yet there seems any real recognition of the extent of the debt. The testing of range management; large herds; feed lot operations; wire; long distance refrigeration; live meat exports; breeding efforts for range cattle stamina. On the negative side of the picture of Scottish involvement but an important part was the testing of land laws; the development of legislative stands; the unity of the small farmer and rancher; all come directly from the Scottish participation in what the West likes to call 'The Day of the Cattlemen'.

Mining returns in general had been poor. Clark Spence estimates that in the 40 years following 1860 only 57 British companies of the 518 registered at a capital of not less than 77,800,000 pounds were paying dividends and these only amounted to nominal returns; only ten³⁷ ever returned the original investment. The major Scottish success was the Dundee owned Arizona Copper Company, Ltd. which returned nearly³⁸ 268% but lies outside the Midlands and our study.

On the other hand Scottish capital had done a great deal toward developing the West, particularly Wyoming. One Territorial paper assured "there is much to commend in the enterprise which brings millions³⁹ of dollars to put into land, ditches, and cattle along the foothills". Forty years earlier Farnham in his Travels in the Great Western Praires had suggested that the British should not just send her worthless, but

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use their capital to build in America "commercial allies". And whether by accident or design this had been what had happened. Scotland had taken the lead first in mortgage and trust organisations and then in the development of cattle ranches. The earlier investments in the Midwest, particularly in Iowa, Nebraska and Kansas as well as the early cattle investment in Texas, were a part of this expansion picture. For it was there that these early investments were to have the effect of creating capital and faith that was to lead them into the Midlands. The habit, the participation, the knowledge grew in these Midwestern areas and when the investment potential moved West, the investors followed it into Wyoming.

"It is owing to Scottish enterprise" reported the Scotsman "that the western plains of America, which formerly were grazed by Buffalo, are now tenanted by vast herds of cattle, supplying food not merely for America, but for a large portion of Europe as well".⁴¹

In the late 1890's the dwindling of capital investment in the Midlands was obvious. It went hand in hand with the lack of British interests in mines, cattle, and land. The prosperity of the Midlands and of Wyoming suffered because of the withdrawal. The withdrawal did not mean an end to investment, however, but certainly a change. First of all investment was moving out of railroads and land into industry, thus out of Wyoming which had little or no industrial appeal. Second, the Scottish and English shared a view that the cattle business was doomed. True it had been a bad set of winters, cattle prices were down, loans were pressing, shareholders demanding. But the concept of the cattle industry on the decline was one of the large problems. Most of the Scots had entered the industry for a profit. They got involved when

things were just beginning to look promising and they expected returns of 15 to 30%. This was not realistic -- especially when you realise that this was a new developing industry. The few who managed to survive were able to recover some of their losses and in some cases to return a profit on investment. Some indication that they may have pulled out too soon was the fact that other companies were created during this time -- some 2,579,166 pounds in capitalisation between 1898 and 1901 --and that they⁴² showed acceptable returns on investment.

A third aspect of the change was that the United States was beginning to find capital of its own and the desire for profitable investments at higher rates of interest required the Scots to seek new areas in under-⁴³developed countries. Just after the turn of the Century, Henry Sheldon spoke this fitting conclusion: "Now that America is beginning to have more capital of its own, I think it is proper that some acknowledgement should be made of the great service rendered to us, in the development of the Country, by the use we have enjoyed for so many years of capital sent to America from Great Britain and especially from Scotland . . . The money that has come from Scotland to America has been invested in⁴⁴ many ways that have been a great service to our people".

There can be little doubt that investment in Wyoming, particularly in cattle, was of great value to that expanding Territory. And while this was not the primary consideration it nevertheless stands as one return on the investment. It was recognised by even the most critical observer. The Courant had written in 1884, "it is only a question of time when the irrespressible yankee becomes rich enough to be independent of⁴⁵ his Scotch uncle".

It has been overstated that the investment in the American West affected the economy of the average Scot. Evidence certainly supports the fact that overseas investment did affect economic conditions at home. But this is an indirect effect. Surveys of the stockholders lists of major Scottish controlled companies indicates five major things. One, that the landed Scot took a backseat to the manufacturer and the merchant manager in terms of both organisation and investment activities. This is true despite the fact that landed gentry (lairds) were used as instruments of association. The importance of land rent as a source of capital had given way to industrial and retail sources.⁴⁶ Trust leadership and financial backing tended to rest with manufacturing and merchant leaders on the one hand and professionals on the other.

Two, while almost every occupation is listed on shares lists the degree of investment by the 'working class' is so small as to seriously question the assumption that every class and every group was affected by the rise and fall of investments. Too few factory workers, farmers, domestics, miners appear on these lists to support the 'small investor' theory so greatly accepted by American Western historians. The typical investor was a man of some wealth. In 1888 the national debt was held in the hands of investors that averaged over four thousand pounds; the Colonial stock was never issued at less than one hundred pounds prior to 1909. The middle class investment grew with professors, retailers, clerks, and clergy holding a good many shares -- even beyond the savings bank stage -- but they were never preponderantly influential. Capitalists owning less than a thousand pounds worth of property were of little importance on the market at large and they owned less than 8.35% of the national wealth.⁴⁷

The 'working class' so often attributed as being the source of major investment funds simply did not have the cash to purchase shares with.

Shares averaged out at more than seventeen pounds each. ⁴⁸ Working class savings was generally done through Post Office Savings Banks or Savings Banks. ⁴⁹ By 1880 102 such banks existed in and around Glasgow and represented some 39,000 depositors; this had grown to 60,000 in 1881. Yet not one in ten had any savings whatsoever. In the average year of every 200 depositors mechanics totaled 28, domestics 13, clerks 11, miners 10, labours 9, shopkeepers 5 and 4 factory workers. The rest represented varied occupations and the unspecified. In the textile industry, a major base in Dundee, not one in 25 had any savings. Among the artists, however, it was one in four. In Glasgow 73% of the depositors had less than 20 ⁵⁰ pounds in 1860; 65% in 1880 and this was seasonal. The bulk of the balance of these accounts was withdrawn on rent days. The one exception that may be noted concerning working class shareholders was in the area of mines where, because of the small denomination of shares, there may have been more working class involvement.

A third aspect was that investment funds were more representative of the manufacturing and merchant concept of expansion than of the industrial concept. This is perhaps best seen in the distinction between Glasgow as an industrially thinking area and Edinburgh as an investment thinking area. Edinburgh as the financial capital was the home of banking and insurance companies as well as investment trusts; it was the location of the investment professional, the legal, the accounting and actuaries. Glasgow, on the other hand, was the industrial centre and her mind as well as her capital was set, during the height of this period, in the development of her industrial potential.

A forth concept was that investor knowledge and familiarity was an important part of the investment picture. Investments centred in those areas where overseas connections, trade and pastoral investments were the rule. Also, it meant an amazing cross involvement of those individuals associated. These groups were so greatly mixed that the total leading figures of these Scottish based investments probably didn't number more than fifty.

A fifth consideration was that Scottish investment was amazing in its size for a country such as it was. Blackwoods Magazine summed it up in 1884. "For a small region like Scotland to be able to spare, even for a time, tens of millions of sterling was one of the paradoxes in the history of the 19th Century investment"⁵¹. Dundee, for example, in 1880 had an income of less than 500,000 pounds a year but had investments of nearly five million pounds equal to the savings of 20⁵² years.

Broadly speaking there is enough evidence to say that British foreign investments paid; that is, produced profit on investment which exceeded both risk and domestic investments. This Cairncross accepts⁵³ as being evident in both individual profits and social gains. In terms of investments in the United States during the period 1875-1900 it can also be assumed that investments were profitable for the British. But if we take a close look at the overall of Scottish investments in the Midlands we find a somewhat different picture. In terms of return on investment the Scot could have done little better than to have just about broken even. The returns on the mortgage investments and early railways, plus the few cases of profitable cattle companies were about equal to the losses suffered in mining and cattle failures.

The great advantage was to the Midlands and to the Territorial development of Wyoming, and, indirectly, to the Scots who found in this area not only a home for their capital, but also for their progeny.

Chapter Fourteen: Notes

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3. Pall Mall Budget 10 April 1869. See also 16 March 1878, 2 June 1877.
4. Ibid., 28 December 1877.
5. Scottish Banking and Insurance Magazine June 1885. Edinburgh Courant 2 January 1884.
6. "Scottish Capital Abroad", Blackwoods Magazine, 136 (October, 1884) 468.
7. Hobson, C. K. The Export of Capital. London: Constable and Company, Ltd., 1914, 55.
8. Ibid., Chapter III. Compare Hobson and Cairncross, 233, in regard to how this will effect real wages. Hobson feels foreign investments will cause real wages to remain basically the same while interest increases; Cairncross sees the cause of real wages as immediately linked with railway financing abroad.
9. Cairncross, 225.
10. Jenks, Leland H. The Migration of British Capital to 1875. London: Jonathan Cape, Ltd., 1938, 330. The national product not only provided for raising population and its accompanying expectations of individuals and classes, but also had to deal with the expectations arising out of the great drive toward liberal democratic politics which saturated the late Century. Court, W. H. B. British Economic History, 1870-1914. Cambridge: University Press, 1965. Court, W. H. B. A Concise Economic History of Britain from 1750 to Recent Times. p. xvi.
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14. Ibid., 230.
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Chapter Fifteen: On Sources and Conclusions

Initially this subject suggests resources so massive as to be discouraging. The researcher soon discovers, however, that the material is very limited and much of the work already done is lacking in sophistication and scope. The economic history of Midwestern United States has captured the interest of many researchers and the story of their work is an essay in historiography which shows the development of interest in the intra-national character of history as well as in its inter-national nature. Yet, available materials on the foreign aspects of western America are very limited.

For fifty years the British expansion of men and capital into the American West has been of interest. During this time researchers have tended to concentrate on the parts rather than on the whole of the problem. They have tended to concern themselves with the economic theory behind expansion, with the history of the western areas into which expansion occurred, or they have concentrated on the contributions of individuals involved in the expansion. A more integrated approach has been developing, however, which tries to unite the study of the British in the American West.

I wish to describe five ways in which this integration is being developed and then to discuss the areas in some detail. The first of these segments includes those works which stress the economic aspect of foreign involvement in the survey histories of the United States or western sections. The impact of these works rests on the fact that they

inject the concept of British capital involvement into the thinking of the newly developing historian.

A second segment, and one of the most refined, has been the development of works on British expansion which see the use of capital in its practical application as well as in theory. These efforts deal with the concept in terms of particular locations, people, companies, and events. A third segment in the development lies in recognition of available collections and the effort to make new collections of prime materials in the area of British capital expansion. The accumulation of this material means that more and more work can be done at less resource cost. A fourth development is the increasing number of important and well researched articles and monographs that are filling in many of the holes remaining both in factual material and in the nature of the approach. The last segment consists of the recent publication of some full-length studies of the relationship between British economics, capital expansion, and the development of the American West. These books are varied in content and in worth. Some of these histories appear to have been published too soon and are lacking in content and documentation. Others have proven to be fine additions to the field.

The researcher can quickly distinguish between western books and books on western America. The former continues to be published at an astounding rate. The latter is not so popular but numerous works appear. Among these are some very important efforts which recognise the West as an economic reality. The recently published History of Wyoming by T. A. Larson of the University of Wyoming is an excellent survey work that

considers the economic characteristics of the West in full measure.

Lewis Atherton's The Cattle Kings is an early example of the more specialised work which deals with economic as well as social conditions. Mari Sandoz's The Cattlemen is another important publication. This book is a part of the Sandoz tradition of telling a good story well and is full of information gathered from her own investigations. It is limited in its contribution because of the lack of documentation. The clues she does make available, however, become important steps in discovering the vast amount of British influence on the plains.

Helena Huntington Smith's The War on Powder River is an essential work. This caustic embittered account of the cattlemen at war is one of the very best. Written as an obvious attack on the cattlemen she is particularly impressed with the role of the foreign investor; especially the Scottish commission man John Clay. Clay, then president of the powerful Wyoming Stock Growers Association, is given much of the blame as initiator if not participant in the outbreak in Johnson County. Perhaps the most significant aspect is Smith's understanding of the economic conditions of the foreign cattlemen.

Edward Everett Dale's principle works, Cow Country and The Range Cattle Industry, 1865-1925, were written with an understanding of foreign participation in the cattle industry, but more as a novelty than a basic economic force. Earnest Osgood's The Day of the Cattleman is old (1929) but surprisingly aware of the factor of foreign investment and its impact on the growth of the cattle industry in the Midlands. A much more recent work, Carl Kraenzel's The Great Plains in Transition,

approaches foreign involvement more from the archaeological and anthropological point of view but is a significant part of the literature.

On the other side of the picture those historians who have entered from the area of British expansion have done some remarkable work. J. C. Gilbert's early and very important book on the joint-stock companies --- A History of Investment Trusts in Dundee, 1873-1938 --- is an essential for any investigation of corporation involvement in the West. Carrington's work, The British Overseas, is a detailed account of early trading companies and the political and social scene behind them. This is very important to understanding the "mood" of early investment and merchant companies. As well the investigator must rely heavily on A. K. Cairncross Home and Foreign Investments 1870-1913. In this excellent investigation of capital accumulation and its effects Cairncross deals with the theory and process of accumulation in the Victorian age. He then focuses on the results which he describes as internal migration, capital markets, foreign versus home investment, and the statistics and analysis of 'probability'. The book is made particularly useful by a set of illustrative tables.

Another study basic to understanding the capital movement to the American West is Leland H. Jenks The Migration of British Capital to 1875 which is a rare introduction to the migration of capital throughout the world. Yet another vital publication in this area is W. H. Marwick's Scotland in Modern Times. This is an outline of the economic and social development of Scotland since the Union of 1707. It is a

readable and informative description of the 18th, 19th and 20th Centuries, their economic development and the social consequences. The book is heavily directed toward the reciprocal international effect of business, trade, expanding capital and immigration. C. K. Hobson's The Export of Capital picks up about where Jenks leaves off. This early work on overseas investment has become almost a classic. Hobson presents the idea that in the long run foreign investments were beneficial at home. His work is very significant as it deals with the relationship between home and foreign investments, and the relationship between investment and immigration.

It is very significant that the British government has kept an made available company registrations so that prime reference can be made. The Company Registration Offices located in London and Edinburgh; the Archives and Library of the Stock Exchange at Austin Friars, London, have collections which are essential for the initial work in the corporate extension of capital to the West. Several other collections have become available and are growing in their size and importance each year. The Western Range Cattle Industry Study Centre in Denver, Colorado has made a great effort to collect materials from both sides of the Atlantic dealing with the western range industry in the Midlands. The Centre records on microfilm those documents from the Registration Offices which deal with American related companies. The Bancroft collections of interviews with ranchers and cowhands is a valuable work. The Western History Research Centre in Wyoming is under the direction of Gene Gressley

and reflects his interest in the economic side of the cattle industry. The Research Centre houses the Wyoming Stock Growers Association records as well as the private collections of hundreds of old time Midland ranchers. The Russell Thorp and the Agnes Wright Springs collections are important sources and are available there. Of prime interest, located at the Wyoming Department of History and Archives, are the notes from the WPA Writers Guide series on western cattle. These are a very significant source and have almost been ignored by western authors.

Much of the pioneer work in British investments in the West has been done in the periodical press. An early series of thirteen articles by Herbert Brayer investigates this theme. Perhaps the most significant are "When Dukes Went West" and "The Influence of British Capital on the Western Range Cattle Industry" published in 1949. Allan Bogue's investigation of mortgages on the frontier has produced several works which give the historian a special insight. A central produce of his study was "Profits and the Frontier Land Speculator" which was published in 1957.

Roger V. Clements has been especially sensitive to the unity of British investors and western development. This is apparent in two major articles: "British Controlled Enterprise in the West Between 1870 and 1900, and Some Agrarian Reactions" (1953) and "British Investment and American Legislative Restrictions in the Trans-Mississippi West, 1880-1900" (1955). Both articles deal with the often misunderstood western clash between foreign investors and cattlemen and

the resulting agrarian consciousness. Some real pioneer work has been done as well by William Turrentine Jackson who has concentrated on the political power of the Wyoming Stock Growers Association and their relationship to the foreign investor.

Two particularly significant and provocative monographs are the articles by W. G. Kerr, an American born Cambridge educated historian. His writing combine the happy circumstances of an appreciation for the economic situation in Great Britain and personal background involvement in the character and attitudes of the American West. His analysis of the mortgage company involvement in Texas and suggestions of general British investment in the developing westward movement is indicative of a reasonable assimilation of the distinctives of the study.

There are three books which should be considered in more detail for they deal directly with the topic of this investigation and must be evaluated in order to place this investigation in perspective. The first for consideration is William Turrentine Jackson's The Enterprising Scot published in 1968. There can be little doubt that Jackson has done a great service in bringing together a good many previously scattered sources. He has, however, approached the subject with several limitations. Basic is the fact that he has skimmed off the cream of the subject taking into account only that material that was readily available in either Scotland or in the Western History collections. The result is sporadically collected information which stresses select companies because of the availability of records

and not because of the importance of their roles. Little is done in his work dealing with the nature of the Scottish investment market prior to its interest in the American West.

More basic to the long run value of the work is the fact that he seems to have misjudged, or at least misrepresented, the Scottish investor. He, like Gene Gressley in his work Bankers and Cattlemen, has overplayed the role of the American vendor and the American agent. In doing so he belittles the ability and the investment knowledge of the key Scottish investors. He has also downgraded the role of the mortgage company which was a prime source of investment money and experience. The Scots were able to accumulate such funds primarily because they had practical involvement and the fact that they were recognised as having the best western experience and American intelligence available. Francis Smith, Frank L. Underwood, even John Clay and Rufus Hatch, were important but policy was made and investment controlled in Scotland. And when the agent thought differently, as in the case of William Reid, changes were made.

By the same token Jackson has misread the nature and make up of the personnel involved. He mentions many names but he never conveys the feeling that he is aware of the tremendous interlocking and overlapping of these men's interests and companies. Men like Robert Flemming and James Barclay are never presented in their roles as coordinators and thus the corporate interdependence is ignored. Therefore he stresses the competitive nature of the Scottish concerns without

giving credit to them for the astute compatibility which extended even to their mutual use of the services of such men as John Clay.

Jackson is aware that most professions are represented on the share lists and that there is a predominance of merchants over landlords. Yet he does not take into account the vast involvement of the conservative businessman -- nor does he see as important the reasons for the existence of Dundee and Edinburgh as financial centres over the contributions of Glasgow and Aberdeen. There is little discussion as well of the basic question of where the money was coming from and why. Why was it available for American investment? Why were the Scots willing to invest even when eastern money was reluctant? Why in the Trans-Mississippi West at all? He apparently sees no connection between the Scot's role in the American Midlands and their previous roles in Australia, Canada and South America.

He fails to deal in depth with the broader investment involvement apart from those companies recorded at the Company Records Office, and his coverage is often limited to cattle company minute books. The fact that he deals with only 17 of the 41 Midland companies means the picture is distorted from the beginning. His selected materials makes the failure of the Dakota Stock and Grazing Company, Ltd. and Swan Land and Cattle Company, Ltd. appear unnecessary; and the success of Western Ranches, Ltd., the Prairie Cattle Company, Ltd., and the Matador Land and Cattle Company, Ltd. as unexplained. This hides the true pattern -- early and wise investment, then speculation, then a return to wiser and more conservative management -- which is more

indicative of the Scottish investment picture.

Jackson uses materials at the Bancroft Library and from the Huntington Collections which are available only to select historians. He has also had available many British sources not generally available. Yet he has not consulted areas in which serious additions can be found; the Western History Centre at Laramie which houses the papers of the Wyoming Stock Growers Association, the National Cattle Association and the Russell Thorp collection. We must also be somewhat critical of the fact that he has not updated his own investigations of 1947, 1948 and 1950 in which he researched the legislation concerning land laws and foreign owned companies. A great deal of work has been done since that time which he should have considered.

A second work that needs brief mention is When Grass was King, the combination effort of William Turrentine Jackson, Agnes Wright Springs and Maurice Frink. This is a very important early work in the field and is certainly innovating though it is not an effort to cover the field. There are numerous errors of omission as is expected in a work of this nature. While not primarily concerned with the foreign investor it does deal with the question in an open and significant way as can be expected from historians of this background. The work is most valuable in providing bibliographical clues for further research.

Certainly the most interesting source of all is John Clay's autobiography My Life on the Range. This very remarkable man not only combined the rare talents of cattleman and financier but added that

of author. His work captures the mood and the expectancy of the local rancher and the Scottish investor and the dream they shared of the prairie as a vast pasture. The book is full of personal accounts that give considerable insight into the cattle industry. Nevertheless it is a man's account of his own life and it gives us as much information about the manhood of John Clay as it does about the range cattle business. If only Hank Reel had left such an account with which to make a comparison.

From this study many conclusions can be drawn. Some American and British historians have made concluding statements in their works and these are generally discussions of the profit and loss expectancies which motivated most of the companies. To be sure this is a realistic way in which to deal with the English and Scottish investment. These conclusions are well worth consideration. There is room, however, for some thought dealing with the immediate involvement and the social, political, and even philosophical contentions that developed. The Scots did, after all, invade the West with as much fire and vigor -- and often with as many resources -- as did the more popular moulders of culture be they a movement like the Grange or an item like the six-gun. We cannot simply deal with the subject in economic terms alone.

The Scots are a complex people and they came into the American West at a time when the impact of foreign culture -- and the impact of success -- was easily recorded. Concluding reactions can be expressed

in four ways; the development of the cattle industry; some social aspects of the economic growth; one often unexpressed political repercussion; and some speculative questions rising out of the study.

It does not require great insight to suggest that capital entering the Midlands, particularly Wyoming, was essential. More than that it spelled the difference between Wyoming developing as a state and the slow process of territorial appendage. One reason for this was the effect the foreign investor, in this case the Scots, had upon the cattle industry. Paradoxically it was this success which proved to be one of the factors which drove the Scot from the investment area. Gone, for example, was the haphazardness of the one man cattle show that was "born" on the plains of Laramie. The contribution was to the efficiency of the industry.

Midlands cattlemen headed for their particular enlightenment through the trial and error method of experience; a method which was paid for from the resources of the Scottish economy and the vast reserves of pastoral knowledge that they brought. In some very important ways the industry in Wyoming was as different from that in Texas as the cowhand was from the cowboy. The local concern pushed the development of breed stock despite the predictions that only native stock could live in the Midlands. The prime effort and knowledge -- implemented in marketable steers -- was to change the face not only of the steers themselves but the very land on which they walked. Experience backed by profit hungry investors changed the whole concept of ranching on the plains. The idea of "free

forage" was recognised in all its limitations. It did not take the Scots long to realise that the industry was best served when the resources went to providing the best beef. Good beef, it was discovered, was the result of feeding schedules and not haphazard grazing. This discovery was to herald a major change in the Midlands cattle industry.

Many aspects of the economic growth could be considered; social overhead capital is one of the most important. Foreign money in railroad development can be used to illustrate this idea. It is generally assumed that the impact of railroad development is in the reduction of shipping costs or the movement of immigrants. But far more important in this case is the fact that transportation brought to the area an accessibility without which the Midlands could scarcely have had any commercial extension at all. The very existence of Wyoming was dependent on the presence of the transportation system which was financed primarily by large amounts of foreign capital.

Closely related was the effect of the railways on the land itself. Seen in the light of the "innovation theory of history" this was the framework for systematic explorations and development. Land, we can understand, can't be considered in terms of undifferentiated production factors but rather in terms of quality and accessibility. The foreign investor -- in this case the Scot -- gave it quality by the nature of its use and access by design. Social overhead capital made the land accessible and thus made the prime product of the West, its grass land, valuable. Capital gave the land value and profoundly affected the nature of the area by providing a prolonged source of sustained resources for

development.

Political repercussions are dealt with in detail in an earlier chapter in this work and have been considered in a major way by William Turrentine Jackson and Lewis Gould. In addition, however, I see one further idea that may be worth consideration. While the Grange is usually the reflective political force that comes to mind when discussing the West it is more likely that a political attitude -- the Western Radical -- is both more significant and illustrative. Based in part on the thinking of the English Co-operative Union it was this force that was to move western thought and, in time, American thought. The development of concentrated political power in the West was a reaction to the concentration of wealth which began as a domestic problem and was soon discovered to be an American problem. Positions that developed were positions upon which national parties were to form.

The West invited collective exploitation from without and they in fact got it. Within the framework from which they originally operated there was no effective local opposition, prior to 1885, to either combat or control such exploitation. It was this lack of an organised western proletariat which was to give a sense of urgency to the movement toward collective reaction.

The more you become involved with the research material the more you find yourself faced with interesting and unanswered questions. Many of the questions raised might be areas for further consideration. What would have been the outcome, for example, if the efforts toward the conservation of the grass lands had required the early Scots to either purchase or lease the public lands they used? The line between profit

and loss was so thin in many cases that it seems obvious any additional costs would have prevented investment and denied the area of its desperately needed capital. It was not until much later, however, that the West became so aware of the need for capital that legislative action was taken to free the investor from unnecessary limitations. In the early states this capital investment was dependent on a laissez faire attitude on the part of both the American and British governments. Was this understood? The use of land in exchange for capital is the procedure by which many western American areas, in this decade, are trying to lure industrial capital. They are discovering that government restrictions have made it almost impossible.

The research leads one to ask questions concerning the price the West paid for her capital. Considerable damage was done to the land by the large cattleman. The exploitation of land, of water, of the limited resources of timber, is often traced to practices of the large outfits. But were these necessarily foreign ranchers? Is the tendency to make the foreign investor responsible simply a way of avoiding the issue directly? In some very real ways the overseas investor saw the land as a source of raw materials and took a 'consumptive attitude' toward its use. Yet there is considerable evidence to support the idea that the foreign firm was far more aware of the problems of land use and made every effort to use it with care. To what extent did the West pay for its capital support?

By the same token the realistic facts of the costs to the foreign investor needs further consideration. Many who may well have made a

considerable amount in land mortgages, loans, and land speculation found themselves unwilling philanthropists in the cattle industry.

Most of the men that have been considered in this study led long lives which were formed in other places and in other industries. Many of these men were to move on after the high days of the cattle business to other activities. For many of the Scots who invested the brief period of the cattle company success was another "craze" and was dismissed when the profits ceased to be acceptable. Yet, for other men it was a way of life that was powerful because it was its time. These men recognised that while they could only regret the passing of the high days of the industry they were grateful for the heights they enjoyed. Some men moved out with the declining days; Swan and Sturgis from Wyoming, Roosevelt from Dakota Territory, Granville Stuart from Montana. Others remained to live it out and they witnessed the pioneer and the speculator being replaced with hard-headed and industrially minded businessmen. In this American phenomena the Scots seem to have played the role as the perfect -- perhaps the only -- transition people.

Many have defined this feeling of change and sometimes of loss. John Clay a deeply involved westerner and yet a Scotsman until his death, was a believer that the West at its best was the symbol and the reality of individualism and innovative courage. He fought the decline of the West. He used his influence to stem the tide toward the forces of time which were making the West too much like the East.

Clay watched industrialisation replace the days of large investment and open range, and he responded in this way. "It is a time when it will do no harm to reflect upon these words from Lloyd George's eulogy on Abraham Lincoln:

It is time for remembering that vengeance is the justice of the savage and that conciliation is the triumph of civilisation over barbarism.

Scotland's capital was a prime weapon in the process of conciliation.

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 SP: Swan Papers.
 WC: Wyoming Cattle Ranch Company, Ltd. Papers.
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